



ANNUAL BUDGET OF //KHARA HAIS MUNICIPALITY

**2012/13 TO 2014/15
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

**Adopted by Council on
31 May 2012**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	LED	Local Economic Development
ASGISA	Accelerated and Shared Growth Initiative	MEC	Member of the Executive Committee
BPC	Budget Planning Committee	MFMA	Municipal Financial Management Act
CBD	Central Business District	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MMC	Member of Mayoral Committee
CM	City Manager	MPRA	Municipal Properties Rates Act
CPI	Consumer Price Index	MSA	Municipal Systems Act
CRRF	Capital Replacement Reserve Fund	MTEF	Medium-term Expenditure Framework
DBSA	Development Bank of South Africa	MTREF	Medium-Term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NERSA	National Electricity Regulator South Africa
DWA	Department of Water Affairs	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
EEDSM	Energy Efficiency Demand Side Management	OHS	Occupational Health and Safety
EM	Executive Mayor	OP	Operational Plan
FBS	Free basic services	PBO	Public Benefit Organisations
GAMAP	Generally Accepted Municipal Accounting Practice	PHC	Provincial Health Care
GDP	Gross domestic product	PMS	Performance Management System
GDS	Gauteng Growth and Development Strategy	PPE	Property Plant and Equipment
GFS	Government Financial Statistics	PPP	Public Private Partnership
GRAP	General Recognised Accounting Practice	PTIS	Public Transport Infrastructure System
HR	Human Resources	RG	Restructuring Grant
HSRC	Human Science Research Council	RSC	Regional Services Council
IDP	Integrated Development Strategy	SALGA	South African Local Government Association
IT	Information Technology	SAPS	South African Police Service
kℓ	kilolitre	SDBIP	Service Delivery Budget Implementation Plan
km	kilometre	SMME	Small Micro and Medium Enterprises
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		

Part 1 – Annual Budget

1.1 Mayor's Report

In his Budget Speech to Parliament on 17 February 2010, the Minister of Finance said: *"We cannot expect to do the same old things and expect different results"*. In the past three years, the world economy has gone through its deepest recession in over 70 years. Signals are that the recovery is still fragile and many commentators caution that current positive economic trends may be short-lived and that the world economy may yet experience a second recessionary wave. //Khara Hais Municipality was in no way immune to the harsh economic realities associated with the recession. Among the impacts are the serious cash flow challenges currently being experienced by the municipality due to among other things the depletion of cash-backed reserves; historic expenditure patterns and a general lack of "doing business smarter".

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the //Khara Hais Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities, available financial resources and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

We, as leaders, have the power to take decisions and had to take hard decisions on how we will use available resources. We cannot please everyone and everyone will not necessarily agree with these decisions. Bill Cosby once said: *"I don't know the key to success, but the key to failure is trying to please everybody."*

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

We as councillors and senior management together with the inputs and comments of the local community has developed an IDP and a credible and sustainable budget with

realistically anticipated revenue sources to improve the quality of our people's life. Unfortunately our needs are far greater than our available resources and therefore not nearly enough of the developmental needs identified in our developed IDP could be met with the available financial resources. It is however a worldwide problem that identified needs by far exceeds available financial resources and therefore we had to prioritise our needs and implement those projects and programmes that have the biggest affect in improving our people's quality of life.

Based on the comments and inputs received on the draft IDP and draft budget and proposed tariffs, it is recommended that Council adopt the following budget resolutions.

1.2 Council Resolutions

On 31 May 2012 the Council of //Khara Hais Municipality met in the Council Chambers of //Khara Hais Municipality to consider the annual budget of the municipality for the financial year 2012/2013. The Council approved and adopted the following resolutions:

1. The Council of //Khara Hais Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2012/2013 and the multi-year and single-year operating and capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18 on page 29;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19 on page 30;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page 32; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page 35.
 - 1.2. The financial position, cash flow budget, cash-backed reserve / accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- 1.2.1. Budgeted Financial Position as contained in Table 23 on page 36;
 - 1.2.2. Budgeted Cash Flows as contained in Table 24 on page 38;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 25 on page 39;
 - 1.2.4. Asset management as contained in Table 26 on page 41; and
 - 1.2.5. Basic service delivery measurement as contained in Table 27 on page 43.
2. The Council of //Khara Hais Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:
 - 2.1. The tariffs for property rates – as set out in Annexure A (Tariff List);
 - 2.2. The tariffs for electricity – as set out in Annexure A (Tariff List);
 - 2.3. The tariffs for the supply of water – as set out in Annexure A (Tariff List);
 - 2.4. The tariffs for sanitation services – as set out in Annexure A (Tariff List); and
 - 2.5. The tariffs for solid waste services – as set out in Annexure A (Tariff List).
3. The Council of //Khara Hais Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012 the tariffs for all other services, as set out in Annexure A (Tariff List).
4. To give proper effect to the municipality's annual budget, the Council of //Khara Hais Municipality approves:
 - 4.1. That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.
 - 4.2. That the municipality be permitted to enter into long-term loans for the funding of the capital programmes in respect of the 2012/2013 financial year limited to an

amount of R 41.6 million; R 23.5 million and R 26.1 million per financial year of the MTREF in terms of Section 46 of the Municipal Finance Management Act.

- 4.3. That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

1.3 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items. This has resulted in savings to the municipality. Key areas where savings were realised were on telephone and internet usage, printing, workshops, overseas and national travel, accommodation, and catering.

The municipality has embarked on implementing a range of revenue collection strategies to optimise the collection of debt owed by consumers. Furthermore, the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 58 and 59 were used to guide the compilation of the 2012/2013 MTREF.

The main challenges experienced during the compilation of the 2012/2013 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging water, sewerage, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash-backed reserves of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from DWA and Eskom), which is placing upward pressure on service tariffs to residents. Continuous

high tariff increases are not sustainable - as there will be point where services will no longer be affordable;

- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2012/2013 MTREF process; and
- Availability of affordable capital / borrowing.

The following budget principles and guidelines directly informed the compilation of the 2012/2013 MTREF:

- The 2011/2012 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2012/2013 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI; except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the wage negotiations as well as cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Expenditure on certain items were limited and for the following items and allocations to these items it had to be supported by a list and / or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Ad-hoc travelling; and
 - Subsistence, Travelling & Conference fees (national & international).

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/2013 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2012/2013 MTREF

R thousands	2011/2012 Adjusted	Budget Year 2012/13	2012/13 % Increase	Budget Year +1 2013/14	2013/14 % Increase	Budget Year +2 2014/15	2014/15 % Increase
Total Operating Revenue	377 064	420 253	11.5%	455 372	8.4%	497 298	9.2%
Total Operating Expenditure	387 404	418 697	8.1%	453 667	8.4%	495 452	9.2%
Surplus/(Deficit)	(10 343)	1 556	115.0%	1 706	9.6%	1 846	8.2%
Total Capital Expenditure	106 336	81 027	-23.8%	49 021	-39.5%	58 254	18.8%

Total operating revenue has grown by 11.5% or R 43.2 million for the 2012/2013 financial year when compared to the 2011/2012 Adjustments Budget. For the two outer years, operational revenue will increase by 8.4% and 9.2% respectively; equating to a total revenue growth of R 120.2 million over the MTREF when compared to the 2011/2012 financial year.

Total operating expenditure for the 2012/2013 financial year has been appropriated at R 418.7 million and translates into a budgeted surplus of R 1.6 million. When compared to the 2011/2012 Adjustments Budget; operating expenditure has grown by 8.1% in the 2012/2013 budget and by 8.4% and 9.2% for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R 1.7 million and then stabilise at R 1.8 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 81.0 million for 2012/2013 is 23.8% less when compared to the 2011/2012 Adjustment Budget. The reduction is due to various projects being finalised in the previous financial year as well as affordability constraints in the light of current economic circumstances. The capital programme further decreases to R 49.0 million in the 2013/2014 financial year and then evens out in 2014/2015 to R 58.3 million. A substantial portion of the capital budget will be funded from borrowing over MTREF with anticipated borrowings of R 42.5 million; R 23.5 million and R 26.1 million in each of the financial years of the MTREF. Borrowing will contribute 52.4%, 44.9% and 44.8% of capital expenditure in each of the MTREF years; and, government grants and transfers will contribute 42.7%, 43.1% and 47.0% of capital expenditure in each of the MTREF years. The balance will be funded from internally generated funds. Note that the municipality has reached its prudential borrowing limits and so there is very little scope to substantially increase these borrowing levels over the medium-term. The repayment of capital and interest (debt services costs) has

substantially increased over the past three years as a result of the aggressive capital infrastructure programme implemented over the past three years. Consequently, the capital budget remains relatively flat over the medium-term.

1.4 Operating Revenue Framework

For //Khara Hais Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 99 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing / calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of "free" basic services; and
- Tariff policies of the municipality.

The following Table 2 is a summary of the 2012/2013 MTREF (classified by main revenue source). In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus / (deficit).

Table 2 Summary of revenue classified by main revenue source

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source									
Property rates	32 185	34 970	38 104	40 858	41 934	41 934	48 654	52 081	55 750
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	84 342	108 081	141 879	173 675	174 834	174 834	194 082	215 425	239 115
Service charges - water revenue	30 526	34 312	35 927	40 390	40 571	40 571	43 412	46 454	49 708
Service charges - sanitation revenue	16 990	19 044	20 356	21 534	23 215	23 215	24 842	26 583	28 446
Service charges - refuse revenue	11 127	12 552	14 390	15 739	17 037	17 037	22 659	24 245	25 942
Service charges - other	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	5 012	5 754	4 404	5 736	5 637	5 637	6 192	6 812	7 493
Interest earned - external investments	2 428	2 428	856	1 500	512	512	1 512	1 588	1 667
Interest earned - outstanding debtors	1 401	1 791	2 123	2 200	2 638	2 638	2 902	3 106	3 323
Dividends received	—	—	—	—	—	—	—	—	—
Fines	1 691	1 001	1 386	1 890	1 519	1 519	1 611	1 772	1 949
Licences and permits	1 445	1 232	1 554	1 527	1 575	1 575	1 669	1 836	2 020
Agency services	2 456	2 830	3 075	3 141	3 221	3 221	3 415	3 756	4 132
Transfers recognised - operational	36 621	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Other revenue	2 321	2 980	3 263	2 592	2 654	2 654	2 751	3 025	3 327
Gains on disposal of PPE	705	71	48	50	0	0	—	—	—
Total Revenue (excluding capital transfers and contributions)	229 249	297 367	349 098	369 628	377 064	377 064	420 253	455 372	497 298

The following Table 3 shows the percentage growth in revenue by main revenue source.

Table 3 Percentage growth in revenue by main revenue source

Description / R thousand	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Revenue By Source								
Property rates	41 934	11.1%	48 654	11.6%	52 081	11.4%	55 750	11.2%
Property rates - penalties & collection charges	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Service charges - electricity revenue	174 834	46.4%	194 082	46.2%	215 425	47.3%	239 115	48.1%
Service charges - water revenue	40 571	10.8%	43 412	10.3%	46 454	10.2%	49 708	10.0%
Service charges - sanitation revenue	23 215	6.2%	24 842	5.9%	26 583	5.8%	28 446	5.7%
Service charges - refuse revenue	17 037	4.5%	22 659	5.4%	24 245	5.3%	25 942	5.2%
Service charges - other	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Rental of facilities and equipment	5 637	1.5%	6 192	1.5%	6 812	1.5%	7 493	1.5%
Interest earned - external investments	512	0.1%	1 512	0.4%	1 588	0.3%	1 667	0.3%
Interest earned - outstanding debtors	2 638	0.7%	2 902	0.7%	3 106	0.7%	3 323	0.7%
Dividends received	—	0.0%	—	0.0%	—	0.0%	—	0.0%
Fines	1 519	0.4%	1 611	0.4%	1 772	0.4%	1 949	0.4%
Licences and permits	1 575	0.4%	1 669	0.4%	1 836	0.4%	2 020	0.4%
Agency services	3 221	0.9%	3 415	0.8%	3 756	0.8%	4 132	0.8%
Transfers recognised - operational	61 716	16.4%	66 551	15.8%	68 690	15.1%	74 426	15.0%
Other revenue	2 654	0.7%	2 751	0.7%	3 025	0.7%	3 327	0.7%
Gains on disposal of PPE	0	0.0%	—	0.0%	—	0.0%	—	0.0%
Total Revenue (excluding capital transfers and contributions)	377 064	100.0%	420 253	100.0%	455 372	100.0%	497 298	100.0%
Total Revenue from rates and service charges	297 591	78.9%	333 650	79.4%	364 788	80.1%	398 362	80.2%

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than three quarters of the total revenue mix. In the 2011/2012 financial year, revenue from rates and services charges totaled R 297.5 million or 78.9%. This increases to R 333.6 million, R 364.7 million and R 398.9 million in the respective financial years of the MTREF. A

notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 78.9% in 2011/2012 to 80.2% in 2013/2014. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1 (see page 127).

Electricity sales is the largest revenue source totalling 46.2% or R 194.0 million rand and increases to R 239.1 million by 2014/2015. Property rates is the second largest revenue source totalling 11.6% or R 48.6 million rand and increases to R 55.7 million by 2014/2015. Water is the third largest revenue source totalling 10.3% or R 43.4 million rand and increases to R 49.7 million by 2014/2015. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R 61.7 million in the 2011/2012 financial year and steadily increases to R 74.4 million by 2014/2015. Note that the year-on-year growth for the 2011/12 financial year is 7.8% and then it decreases / increases to 3.2% and 8.4% in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
RECEIPTS:									
Operating Transfers and Grants									
National Government:	28 848	34 716	43 586	48 361	48 361	48 361	56 141	60 528	65 659
Local Government Equitable Share	26 552	31 859	40 532	46 121	46 121	46 121	52 652	56 623	61 632
Finance Management	500	1 000	1 200	1 450	1 450	1 450	1 500	1 750	1 750
Municipal Systems Improvement	735	755	750	790	790	790	800	900	950
Health Subsidy	1 061	1 102	1 104	—	—	—	—	—	—
Municipal Infrastructure Grant (MIG)	—	—	—	—	—	—	1 189	1 255	1 327
Provincial Government:	5 311	27 084	39 564	8 750	6 133	6 133	5 123	3 881	4 019
Housing	1 701	23 752	38 460	7 025	3 893	3 893	1 600	1 600	1 600
Health subsidy	3 150	2 155	108	1 170	1 180	1 180	1 209	1 275	1 332
Libraries	459	1 176	196	312	95	95	929	1 006	1 087
Capacity Building	—	—	—	93	93	93	—	—	—
Department of Water Affairs	—	—	—	—	773	773	1 385	—	—
Infrastructure Development	—	—	—	50	—	—	—	—	—
Promotion and Outreach Programme	—	—	—	50	50	50	—	—	—
Library Current Awareness Services	—	—	—	50	50	50	—	—	—
COGHSTA Subsidy	—	—	800	—	—	—	—	—	—
District Municipality:	—	—	—	—	—	—	—	—	—
Other grant providers:	711	585	340	—	5 906	5 906	5 286	4 281	4 748
SETA Training Subsidy	318	384	320	—	767	767	813	862	914
VAT Circular 48	—	—	—	—	5 138	5 138	4 473	3 419	3 834
Other	393	201	20	—	—	—	—	—	—
Total Operating Transfers and Grants	34 870	62 385	83 490	57 111	60 400	60 400	66 551	68 690	74 426

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the

affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6% upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and DWA bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services; whereas the cost drivers of a municipality are informed by items such as the cost of remuneration of salaries and allowances, bulk purchases of electricity and water, petrol, diesel, chemicals, cement, etcetera. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates partially cover the cost of the provision of general services. However, some of these costs are subsidised through profits generated from trading services (electricity and water sales). Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties

relative to residential properties to be 0.25:1. The implementation of these regulations was done in the 2009/2010 budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R 45,000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA);
- 100% rebate may be granted to registered indigents in terms of the Customer Care, Credit Control, Debt Collection and Indigent Support Policy;
- For pensioners, physically and mentally disabled persons, a rebate of 20% to 100% (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and / or his / her spouse, if any, does not to exceed the amount R 5,140 per month. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorised as residential; and
- The Municipality may award a 100% grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organisations, institutions or organisations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply in the prescribed format for such a grant.
- Agricultural properties in terms of the //Khara Hais Municipality's Property Rates Policy may qualify for a further rebate of up to 20%. The owner of such a property must apply in the prescribed format for such a rebate.

It needs to be noted that //Khara Hais Municipality do have two property rates policies. One for the original jurisdictional area of the municipality before the 18 May 2011 municipal elections and one for the jurisdictional area of the Siyanda District Municipality that was incorporated within the //Khara Hais Municipality's jurisdictional area after the municipal elections that were held on 18 May 2011. The reason why the Property Rates Policy of the Siyanda District Municipality was retained was because it included a phasing-in contractual

arrangement for agricultural properties. In the case of //Khara Hais Municipality no phasing-in arrangements were in place since all agricultural properties were already taxed by the municipality for many years.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/2013 financial year based on the 8% increase from 1 July 2012 is contained in Table 5 below. Please note that the ratio for business properties has increased from 1.10 and 1.25 to 1.50 compared to the base rate of residential properties. Agricultural properties

Table 5 Comparison of proposed rates to levied for the 2012/13 financial year

Category	Current Tariff (1 July 2011)	Proposed Tariff (1 July 2012)
	Cent / R 1	Cent / R 1
//Khara Hais Municipality Jurisdictional Area before the 18 May 2011 municipal elections		
Residential properties (Ratio 1.00 : 1.00)	1,1688	1,2624
Business properties (Ratio 1.00 : 1.10 / 1.50)	1,2864	1,8936
Agricultural properties (Ratio 1.00 : 0.25)	0,2922	0,3156
//Siyanda District Municipality Jurisdictional Area before the 18 May 2011 municipal elections		
Residential properties (Ratio 1.00 : 1.00)	0,6678	0,7212
Business properties (Ratio 1.00 : 1.25 / 1.50)	0,8348	1,0818
Public Infrastructure (Ratio 1.00 : 0.25)	0,1670	0,1803
Agricultural properties (As per agreement)	0,0551	0,0564

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent households); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014. Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. The municipality pumps its raw water from the Orange River and pays DWA for it.

A tariff increase of 7% from 1 July 2012 for water is proposed. This is based on input cost assumptions (bulk water purchases from DWA); the cost of other inputs like chemicals, vehicle costs and salaries; and, a surplus generated on the water service of a minimum 15%. In addition 10 kℓ water per month will again be granted through the equitable share grant to all registered indigent households.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2011/2012	PROPOSED TARIFFS 2012/2013
	Rand per kℓ	Rand per kℓ
RESIDENTIAL		
Basic charge per month	0.00	0.00
1 to 6 kℓ per month	4.07	4.36
7 to 18 kℓ per month	6.48	6.93
19 to 90 kℓ per month	3.96	4.24
More than 91 kℓ per month	4.98	5.33
NON-RESIDENTIAL		
Basic charge per month	230.00 / 632.00	246.00 / 676.00
1 to 6 kℓ per month	2.18	2.33
7 to 18 kℓ per month	3.68	3.94
19 to 90 kℓ per month	3.68	3.94
More than 91 kℓ per month	3.96	4.24

The following Table 7 shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house.

Table 7 Comparison between current water charges and increases (Domestic)

Monthly Consumption kℓ	Current Amount Payable R	Proposed Amount Payable R	Difference / Increase R	Percentage Change
20	110.10	117.80	7.70	7.0%
30	149.70	160.20	10.50	7.0%
40	189.30	202.60	13.30	7.0%
50	228.90	245.00	16.10	7.0%
80	347.70	372.20	24.50	7.0%
100	437.10	467.90	30.80	7.0%

The tariff structure of the 2012/2013 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R 4.98 per kilolitre for consumption in excess of 90 kℓ per month.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 13.5% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012. Due to growth in the municipality (new provincial hospital included) the demand charges will increase and it will effectively mean bulk purchases in total to be 15.5% for 2012/2013 financial year.

Considering the Eskom increases, the consumer tariff had to be increased by 11.7% (indigent household consumers with 5.4%) to offset the additional bulk purchase cost from 1 July 2012. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which might have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per month as a free basic service through the equitable share grant. Only registered indigent households receive free basic services (electricity, water, refuse removal and sanitation services).

The following Table 8 shows the impact of the proposed increases in electricity tariffs on the electricity charges for domestic customers:

Table 8 Comparison between current electricity charges and increases (Domestic)

Monthly Consumption kWh	Current Amount Payable R	Proposed Amount Payable R	Difference / Increase R	Percentage Change
100	157.93	176.41	18.48	11.7%
250	296.80	331.53	34.73	11.7%
500	528.25	590.05	61.80	11.7%
750	759.70	848.58	88.88	11.7%
1,000	991.15	1,107.10	115.95	11.7%
2,000	1,916.95	2,141.20	224.25	11.7%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The municipality has applied with NERSA to delay the implementation thereof until our pre-paid selling system communication problems are solved to avoid any revenue losses. Until the communication problems are solved, the municipality will maintain the current structure of its electricity tariffs.

Although the electricity network is in an excellent condition, the upgrading of the municipality's electricity network remains a strategic priority, especially the substations and transmission lines. The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

Owing to the high increases in Eskom's bulk tariffs over the last five years, it is clearly not possible to fund necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. It is therefore proposed that the taking up of loans as a strategy for funding of the infrastructure be considered and approved to spread the burden over the life span of the assets. As part of the 2012/2013 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 7% for sanitation from 1 July 2012 is proposed. This is based on the input cost assumptions related to sanitation services. It should be noted that electricity costs, chemical costs, and, salaries and allowances contributes approximately 47% of waste water treatment input costs; therefore the higher than CPI increase of 7% per cent for sanitation tariffs.

The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the size of the improvements on the property with the argument that properties with bigger improvements on it will accommodate more people or business activities that will lead to the use more water to be discharged in the sewerage distribution networks – see calculations made in Table 9 below;
- Free sanitation services will be applicable to all registered indigents households; and
- The total revenue expected to be generated from rendering this service amounts to R 26.2 million for the 2012/2013 financial year.

The following Table 9 compares the current and proposed tariffs for household, business and other consumers.

Table 9 Comparison between current sanitation charges and increases

Category	Current Tariff Per Month 2011/2012 R	Proposed Tariff Per Month 2012/2013 R
<i>Household Properties</i>		
Improvements less than 70 m ²	69.36	74.22
Improvements between 71 m ² and 100 m ²	89.26	95.51
Improvements between 101 m ² and 200 m ²	136.79	146.37
Improvements larger than 200 m ²	163.72	175.18
<i>Hotels, Business and Offices generating revenue</i>		
For improvements up to 200 m ²	152.73	163.42
The next 300 m ² or portion thereof	152.73	163.42
For the next 400 m ² or portion thereof above 500 m ²	152.73	163.42
<i>Industrial Properties</i>		
For improvements up to 200 m ²	152.73	163.42
The next 300 m ² or portion thereof	127.89	136.84
For the next 400 m ² or portion thereof above 500 m ² to 4,100 m ²	103.16	110.38
For the next 400 m ² or portion thereof above 4,100 m ²	51.16	54.74

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 10 Comparison between current sanitation charges and increases, houses

Category	Current Tariff Per Month 2011/2012 R	Proposed Tariff Per Month 2012/2013 R	Difference Per Month (7% Increase) R
Improvements less than 70 m ²	69.36	74.22	4.86
Improvements between 71 m ² and 100 m ²	89.26	95.51	6.25
Improvements between 101 m ² and 200 m ²	136.79	146.37	9.58
Improvements larger than 200 m ²	163.72	175.18	11.46

1.4.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration.

A 33% increase in the waste removal tariff is proposed from 1 July 2012 to break-even. The higher increases of 11% over the last three years did not have the desired effect. The current

refuse removal tariff is the cheapest tariff of all service charges and therefore by ensuring that the municipality break-even in 2012/2013 will result in projected increases of about 7% for the two outer financial years. It is Council's opinion that the proposed refuse removal tariffs are affordable and will not mitigate a risk raising possible future bad debt.

The following table compares current and proposed amounts payable from 1 July 2012 for refuse removal services.

Table 11 Comparison between current waste removal fees and increases

Category	Current Tariff Per Month 2011/2012 R	Proposed Tariff Per Month 2012/2013 R
<i>Household Properties</i>		
Improvements less than 100 m ²	57.00	75.81
Improvements between 101 m ² and 200 m ²	83.80	111.45
Improvements larger than 200 m ²	107.94	143.56
<i>Business Properties</i>		
Per m ² for the 1 st 1,500 m ² with a minimum levy of 125 m ²	6.48	8.62
Per m ² or portion thereof above 1,500 m ² to 3,000 m ² of floor space	3.24	4.31
Per m ² or portion thereof of floor space above 3,000 m ²	1.80	2.40

The amount payable for one removal per week varies from R 75.81 to R 143.56 for a household. This tariff includes free black plastic bags. Indigent households will get this basic service free by means of an indigent subsidy through the equitable share allocation from National Government.

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a middle income household (property with a municipal valuation of R 700,000; 1,000 kWh electricity consumption and 30 kl of water consumption per month); affordable income household (property with a municipal valuation of R 500,000; 500 kWh electricity consumption and 25 kl of water consumption per month); a low income household (property with a municipal valuation of R 300,000; 350 kWh electricity consumption and 20 kl of water consumption per month); and, an indigent household (property with a municipal valuation of R 45,000; 50 kWh electricity consumption and 10 kl of water consumption per month) receiving free basic services. Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 8.3% and 8.8% per cent, with the increase for indigent households closer to 13.7%. However, indigent household's bills are fully subsidised.

Table 12 MBRR Table SA14 – Household bills

Description / Rand / Cent	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
'Middle Income Range'										
Rates and services charges:										
Property rates	520.33	556.75	595.72	637.97	637.97	637.97	8.0%	689.01	737.24	788.84
Electricity: Basic levy	—	—	—	—	—	—	—	—	—	—
Electricity: Consumption	487.90	561.20	645.20	742.00	742.00	742.00	5.4%	782.07	824.30	868.81
Water: Basic levy	—	—	—	—	—	—	—	—	—	—
Water: Consumption	119.70	130.50	139.68	149.70	149.70	149.70	7.0%	160.18	171.39	183.39
Sanitation	132.45	144.35	153.01	163.72	163.72	163.72	7.0%	175.18	187.44	200.56
Refuse removal	78.90	87.60	97.24	107.94	107.94	107.94	33.0%	143.56	153.61	164.36
Other	—	—	—	—	—	—	—	—	—	—
sub-total	1 339.28	1 480.40	1 630.85	1 801.33	1 801.33	1 801.33	8.3%	1 950.00	2 073.98	2 205.96
VAT on Services	114.65	129.31	144.92	162.87	162.87	162.87	8.4%	176.54	187.14	198.40
Total large household bill:	1 453.93	1 609.71	1 775.77	1 964.20	1 964.20	1 964.20	8.3%	2 126.54	2 261.12	2 404.36
Min: Indigent Subsidy	(314.70)	(903.21)	(971.36)	(1,047.34)	(1,047.34)	(1,047.34)	10.6%	(1,158.35)	(1,238.71)	(1,324.67)
Total Payable	1 139.23	706.50	804.41	916.86	916.86	916.86		968.19	1 022.41	1 079.69
% increase/-decrease		10.7%	10.3%	10.6%	10.6%	10.6%		8.3%	6.3%	6.3%
% increase indigent households		(38.0%)	13.9%	14.0%	14.0%	14.0%		5.6%	5.6%	5.6%
'Affordable Range'										
Rates and services charges:										
Property rates	361.45	386.75	413.82	443.17	443.17	443.17	8.0%	478.62	512.13	547.98
Electricity: Basic levy	—	—	—	—	—	—	—	—	—	—
Electricity: Consumption	243.95	280.60	322.60	371.00	371.00	371.00	5.4%	391.03	412.15	434.41
Water: Basic levy	—	—	—	—	—	—	—	—	—	—
Water: Consumption	103.95	113.25	121.23	129.90	129.90	129.90	7.0%	138.99	148.72	159.13
Sanitation	110.65	120.60	127.84	136.79	136.79	136.79	7.0%	146.37	156.61	167.57
Refuse removal	61.30	68.00	75.48	83.80	83.80	83.80	33.0%	111.45	119.26	127.60
Other	—	—	—	—	—	—	—	—	—	—
sub-total	881.30	969.20	1 060.97	1 164.66	1 164.66	1 164.66	8.7%	1 266.46	1 348.87	1 436.69
VAT on Services	72.78	81.54	90.60	101.01	101.01	101.01	9.2%	110.30	117.14	124.42
Total small household bill:	954.08	1 050.74	1 151.57	1 265.67	1 265.67	1 265.67	8.8%	1 376.76	1 466.01	1 561.11
Min: Indigent Subsidy	(269.78)	(683.79)	(735.96)	(794.32)	(794.32)	(794.32)	10.6%	(878.51)	(939.30)	(1 004.30)
Total Payable	684.30	366.95	415.61	471.35	471.35	471.35		498.25	526.71	556.81
% increase/-decrease		10.1%	9.6%	9.9%	9.9%	9.9%		8.8%	6.5%	6.5%
% increase indigent households		(46.4%)	13.3%	13.4%	13.4%	13.4%		5.7%	5.7%	5.7%
'Low Income' Household receiving										
Rates and services charges:										
Property rates	202.57	216.75	231.92	248.37	248.37	248.37	8.0%	268.24	287.02	307.11
Electricity: Basic levy	—	—	—	—	—	—	—	—	—	—
Electricity: Consumption	170.77	196.42	225.82	259.70	259.70	259.70	5.4%	273.72	288.50	304.08
Water: Basic levy	—	—	—	—	—	—	—	—	—	—
Water: Consumption	88.20	96.00	102.78	110.10	110.10	110.10	7.0%	117.81	126.05	134.88
Sanitation	72.20	78.70	83.42	89.26	89.26	89.26	7.0%	95.51	102.19	109.35
Refuse removal	41.65	46.25	51.34	57.00	57.00	57.00	33.0%	75.81	81.12	86.79
Other	—	—	—	—	—	—	—	—	—	—
sub-total	575.39	634.12	695.28	764.43	764.43	764.43	8.7%	831.09	884.88	942.21
VAT on Services	52.19	58.43	64.87	72.25	72.25	72.25	9.1%	78.80	83.70	88.91
Total small household bill:	627.58	692.55	760.15	836.68	836.68	836.68	8.8%	909.89	968.58	1 031.12
Min: Indigent Subsidy	(203.55)	(441.23)	(475.90)	(514.79)	(514.79)	(514.79)	10.6%	(569.52)	(608.67)	(650.54)
Total Payable	424.03	251.32	284.25	321.89	321.89	321.89		340.37	359.91	380.58
% increase/-decrease		10.4%	9.8%	10.1%	10.1%	10.1%		8.8%	6.5%	6.5%
% increase indigent households		(40.7%)	13.1%	13.2%	13.2%	13.2%		5.7%	5.7%	5.7%
Indigent Household receiving free										
Rates and services charges:										
Property rates	14.58	—	—	—	—	—	—	—	—	—
Electricity: Basic levy	—	—	—	—	—	—	—	—	—	—
Electricity: Consumption	24.40	28.06	32.26	37.10	37.10	37.10	5.4%	39.10	41.21	43.44
Water: Basic levy	—	—	—	—	—	—	—	—	—	—
Water: Consumption	40.30	43.90	47.00	50.34	50.34	50.34	7.0%	53.86	57.63	61.67
Sanitation	56.10	61.15	64.82	69.36	69.36	69.36	7.0%	74.22	79.41	84.97
Refuse removal	41.65	46.25	51.34	57.00	57.00	57.00	33.0%	75.81	81.12	86.79
Other	—	—	—	—	—	—	—	—	—	—
sub-total	177.03	179.36	195.42	213.80	213.80	213.80	13.7%	242.99	259.37	276.87
VAT on Services	22.74	25.10	27.36	29.93	29.93	29.93	13.7%	34.02	36.31	38.76
Total small household bill:	199.77	204.46	222.78	243.73	243.73	243.73	13.7%	277.01	295.68	315.63
Min: Indigent Subsidy	(199.77)	(204.46)	(222.78)	(243.73)	(243.73)	(243.73)	13.7%	(277.01)	(295.69)	(315.64)
Total Payable	—	—	—	—	—	—		—	(0.01)	(0.01)
% increase/-decrease		2.3%	9.0%	9.4%	9.4%	9.4%		13.7%	6.7%	6.7%
% increase indigent households		0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2012/2013 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plans no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2012/2013 budget and MTREF (classified per main type of operating expenditure).

Table 13 Summary of operating expenditure by standard classification item

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	%	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure By Type										
Employee related costs	96 273	107 418	139 826	147 989	155 182	155 182	170 073	40.6%	178 157	190 587
Remuneration of councillors	4 545	4 977	5 334	6 488	6 857	6 857	7 303	1.7%	7 733	8 143
Debt impairment	259	2 949	784	500	500	500	540	0.1%	600	650
Depreciation & asset impairment	13 550	110 941	141 340	21 557	4 881	4 881	14 428	3.4%	16 159	17 452
Finance charges	6 071	6 611	7 594	7 836	7 926	7 926	12 740	3.0%	14 269	15 411
Bulk purchases	47 557	62 456	79 408	101 498	101 376	101 376	116 901	27.9%	132 512	150 221
Other materials	—	—	—	—	—	—	—	0.0%	—	—
Contracted services	14 203	6 419	10 120	9 412	10 106	10 106	10 485	2.5%	9 376	9 875
Transfers and grants	421	590	855	545	621	621	466	0.1%	641	705
Other expenditure	59 987	94 129	130 707	78 364	99 958	99 958	85 761	20.5%	94 219	102 407
Loss on disposal of PPE	—	—	—	—	—	—	—	0.0%	—	—
Total Expenditure	242 867	396 490	515 968	374 189	387 407	387 407	418 697	100.0%	453 667	495 452

The budgeted allocation for employee related costs for the 2012/2013 financial year totals R 170.1 million, which equals 40.6% per cent of the total operating expenditure. No salary cost-of-living collective agreement for 2012/2013 and onwards exists and the municipality has budgeted for a cost-of-living increase of 5% as recommended by National Treasury in MFMA Circular No 59. An annual cost-of-living increase of 5.9% and 5.3% has been included in the two outer years of the MTREF. As part of the municipality's cost

reprioritisation and cash management strategy vacancies have been significantly rationalised downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled by the Corporate Services Department relating to the prioritisation of critical vacancies within the municipality. The outcome of this exercise was the inclusion of R 5.6 million in the 2012/2013 financial year relating to critical and strategically important vacancies. In addition expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 98% for the 2010/2011 financial year and the Writing-Off of Irrecoverable Debt Policy of the municipality. This collection rate would have been 99.5% if government honoured their debt payments. For the first nine months of the current financial year the collection rate is 102.4% after government has come aboard in honouring some of their outstanding debt. For the 2012/2013 financial year this amount equates to R 540 thousand and escalates to R 650 thousand by 2014/2015. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R 14.4 million for the 2012/2013 financial and equates to 3.5% of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years. This additional off-setting depreciation amounts to R 137.9 million which is not included in the budget for tariff calculation purposes. However, the municipality can expect to generate an operating deficit when the 2012/2013 annual financial statements are compiled compliant with the Accounting Standards since this off-setting depreciation is reflected in the Statement of Financial Performance and not directly to the Statement of Changes in Net Assets.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 3.0% (R 12.7 million) of operating expenditure excluding annual redemption for 2012/2013 and increases to R 15.4 million by 2014/2015. As previously noted, the municipality has reached its prudential limits for borrowing – hence the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it is kept close to 3.1% over the MTREF.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from DWA. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials to be procured for the maintenance of the municipality's assets are included under other expenditure. This includes an amount of R 11.6 million for the 2012/2013 financial year and R 12.9 million and R 14.2 million for the two outer years of the MTREF.

Contracted services have been identified as a cost saving area for the municipality. As part of the compilation of the 2012/2013 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2012/2013 financial year, this group of expenditure totals R 10.5 million and has increased by 3.8% compared to the 2011/2012 adjustments budget, clearly. For the two outer years growth has been limited to -10.6% and 5.3% compared with the 2012/2013 budget. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2012/2013 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 127).

Other expenditure comprises of various line items relating to the daily operations of the municipality. As mentioned above it includes other materials for repair and maintenance of the municipality's assets. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to -14.2% for 2012/2013 (repairs and maintenance costs that grows included) and curbed at 9.9% and 8.7% for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in Table 64 MBRR SA1 (see page 127).

The following table gives a breakdown of the main expenditure categories for the 2012/2013 financial year.

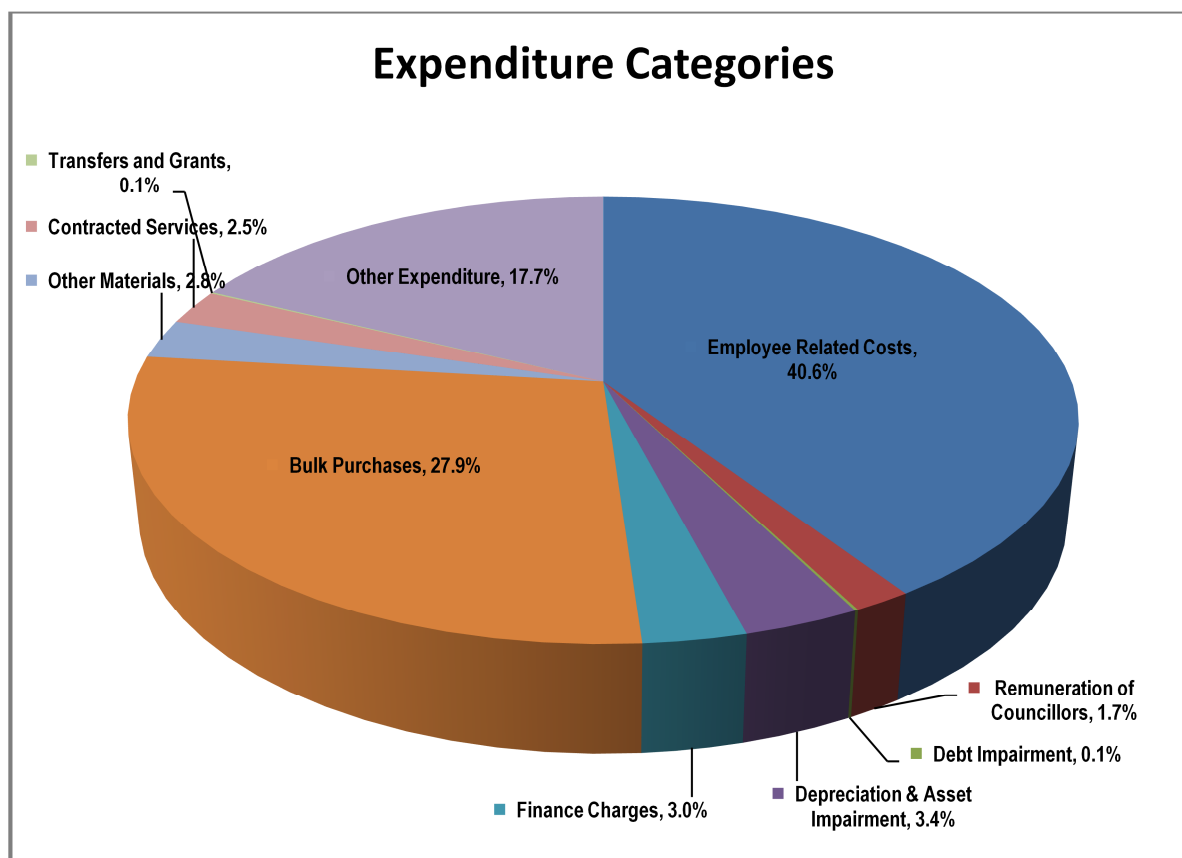


Figure 1 Main operational expenditure categories for the 2012/2013 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2012/2013 budget and MTREF provide for extensive growth in the area of asset maintenance (higher than the inflation rate), as informed by the asset renewal strategy and repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials, vehicle costs and contracted services.

Unfortunately the financial system of the municipality is set up in such a way that these costs cannot be calculated and allocated very easily to the different asset classes. Therefore the following table will only reflect other materials to be procured for repairs and maintenance purposes. The revised Table 14 gives a better picture of the consolidated cost drivers of all the expenditures associated with repairs and maintenance.

Table 14 Operational repairs and maintenance

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and Maintenance by Expenditure Item									
Employee related costs	–	–	–	–	–	–	–	–	–
Other materials	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219
Contracted Services	–	–	–	–	–	–	–	–	–
Other Expenditure	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219

Revised Table 14 Operational repairs and maintenance

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and Maintenance by Expenditure Item									
Employee related costs	31 147	33 960	41 746	43 181	45 790	45 790	47 838	51 415	54 969
Transport Costs / Machine / Vehicle Hire	6 459	7 502	5 750	7 204	9 171	9 171	10 053	10 555	11 083
Contracted Services	–	–	–	–	975	975	2 370	1 037	1 618
Other Expenditure	11 865	11 890	14 456	14 761	15 560	15 560	16 463	18 448	20 520
Total Repairs and Maintenance Expenditure	49 471	53 352	61 951	65 146	71 495	71 495	76 724	81 456	88 190

During the compilation of the 2010/2011 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the municipality's infrastructure. To this end, total repairs and maintenance was substantially increased by 16.1% per cent in the 2010/2011 financial year, from R 53.3 million to R 61.9 million. The 2011/2012 allocation slightly increased to R 65.1 million. However, during the 2011/2012 Adjustment Budget this allocation was increased to R 71.5 million resulting in an increase of 15.4% from 2010/2011 to 2011/2012. As part of the 2012/13 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2012/2013 equates to R 76.7 million a growth of 7.3% in relation to the 2011/2012 Adjustment Budget and continues to grow at 6.1% and 8.3% over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 18.3%, 18.0% and 17.8% for the respective financial years of the MTREF. 15.1% per cent or R 76.7 million of total repairs and maintenance will be spent on all assets. Table 15 below provides a breakdown of the repairs and maintenance (only other materials costs) in relation to asset class.

Water infrastructure has received a significant proportion of this allocation totalling 7.0% (R 813 thousand), followed by electricity infrastructure at 5.7% (R 661 thousand), roads and storm water at 5.8% (R 669 thousand), sanitation at 1.9% (R 215 thousand) and other infrastructure at 0.4% (R 48 thousand). Community assets has been allocated R 484

thousand of repairs and maintenance costs equating to 4.2% while all other assets equates to R 8,791 million or 75.1%.

Table 15 Repairs and maintenance per asset class

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 255	1 217	1 492	2 086	2 281	2 281	2 407	2 777	3 055
Infrastructure - Road transport	394	302	359	514	571	571	669	743	818
Infrastructure - Electricity	362	482	695	726	728	728	661	778	856
Infrastructure - Water	406	393	338	643	800	800	813	966	1 062
Infrastructure - Sanitation	85	40	81	178	136	136	215	237	261
Infrastructure - Other	9	1	20	25	45	45	48	53	59
Community	254	289	403	462	432	432	484	532	586
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	6 544	6 929	8 567	8 558	8 207	8 207	8 719	9 618	10 579
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 10,600 or more indigent households (43.5% of all households) during the 2012/2013 financial year, a process reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 43.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted single- and multi-year capital expenditure by vote. For 2012/2013 an amount of R 81.0 million has been appropriated for investment in property, plant and equipment. In the outer years this amount totals R 49.0 million and R 58.3 million respectively for each of the financial years. Technical Services

receives the highest allocation of R 76.6 million in 2012/2013 which equates to 94.5% of the capital budget.

Table 16 2012/13 Medium-term capital budget per vote

Description / R thousand	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - MUNICIPAL MANAGER	260	0.2%	3 310	4.1%	2 800	5.7%	2 800	4.8%
Vote 2 - CORPORATE SERVICES	1 444	1.4%	–	0.0%	–	0.0%	17 568	30.2%
Vote 3 - FINANCIAL SERVICES	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Vote 4 - DEVELOPMENT SERVICES	–	0.0%	–	0.0%	978	2.0%	4 076	7.0%
Vote 5 - TECHNICAL SERVICES	21 252	20.0%	46 901	57.9%	19 342	39.5%	14 404	24.7%
Capital multi-year expenditure sub-total	22 955	21.6%	50 211	62.0%	23 120	47.2%	38 848	66.7%
Single-year expenditure to be appropriated								
Vote 1 - MUNICIPAL MANAGER	1 880	1.8%	1 150	1.4%	1 545	3.2%	1 940	3.3%
Vote 2 - CORPORATE SERVICES	823	0.8%	–	0.0%	–	0.0%	–	0.0%
Vote 3 - FINANCIAL SERVICES	87	0.1%	–	0.0%	–	0.0%	–	0.0%
Vote 4 - DEVELOPMENT SERVICES	9 693	9.1%	–	0.0%	5 644	11.5%	–	0.0%
Vote 5 - TECHNICAL SERVICES	70 898	66.7%	29 666	36.6%	18 712	38.2%	17 466	30.0%
Capital single-year expenditure sub-total	83 381	78.4%	30 816	38.0%	25 901	52.8%	19 406	33.3%
Total Capital Expenditure - Vote	106 336	100.0%	81 028	100.0%	49 021	100.0%	58 254	100.0%

New assets represent 94.1% or R 76.2 million of the total capital budget while asset renewal equates to 5.9% or R 4.8 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 41. In addition to the MBRR Table A9, MBRR Tables SA34a, b and c provides a detailed breakdown of the capital programme relating to new asset construction; capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 102, 103 and 104).

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Connection road over the railway line between Rosedale and Paballelo – R 19.0 million;
- Kalksloot access road – R 2.0 million;
- Leseding access road – R 2.0 million;
- Raaswater access road – R 2.0 million;
- Paving of streets in Paballelo – R 4.3 million;
- Upgrading of CBD storm water system – R 2.3 million;
- Resealing of streets – R 7.5 million;
- Replacement of vehicle fleet – R 19.6 million;
- Enlargement of main sewerage drainage line through Rosedale – R 8.5 million;
- Electrical distribution network for Cape Town Housing Project – R 9.2 million;

- Electrification projects for new developments (500 connections in Paballelo, 324 connections in Smartie Valley, 350 connections in Rosedale North, 455 connections in Rosedale West and 475 connections in Rosedale South) – R 33.6 million;
- Upgrade main supply network and connection to Delta Substation – R 1.1 million;
- Algae tanks and filters at Abraham Holbors Water Treatment Works – R 8.2 million; and
- Civil services infrastructure for the Cape Town Housing Project – R 7.8 million.

Furthermore pages 122 to 124 contain a detail breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget spent over the last three years and the capital expenditure to be spent on infrastructure related projects over the MTREF. Please note that the amounts in the graph represent millions of Rand.

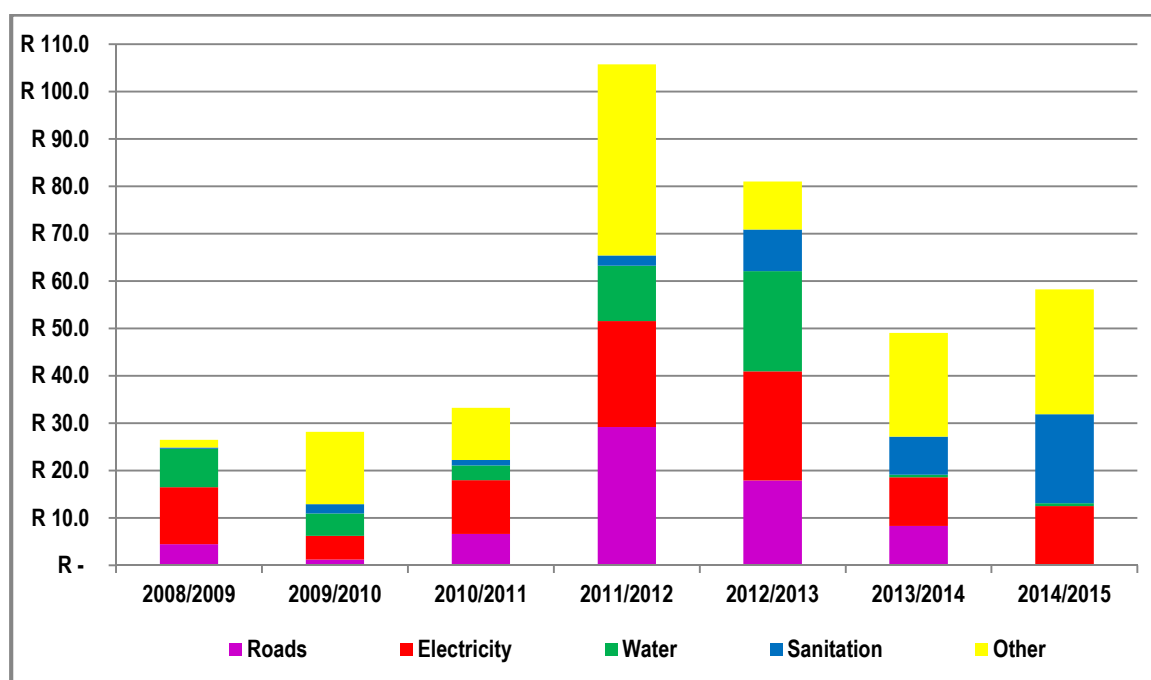


Figure 2 Capital Infrastructure Programme

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35 on page 105. This concomitant operational expenditure is expected to escalate as new capital projects are implemented. It needs to be noted that as part of the 2012/2013 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/2013 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which:
 - Transfers recognised is reflected on the Financial Performance Budget;
 - Borrowing is incorporated in the net cash from financing on the Cash Flow Budget; and
 - Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing / surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality

in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2013/14, when a small surplus is reflected.

Table 17 MBRR Table A1 - Budget Summary

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Financial Performance									
Property rates	32 185	34 970	38 104	40 858	41 934	41 934	48 654	52 081	55 750
Service charges	142 984	173 988	212 552	251 338	255 657	255 657	284 996	312 707	343 211
Investment revenue	2 428	2 428	856	1 500	512	512	1 512	1 588	1 667
Transfers recognised - operational	36 621	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Other own revenue	15 030	15 659	15 852	17 136	17 245	17 245	18 540	20 306	22 243
Total Revenue (excluding capital transfers and contributions)	229 249	297 367	349 098	369 628	377 064	377 064	420 253	455 372	497 298
Employee costs	96 273	107 418	139 826	147 989	155 182	155 182	170 073	178 157	190 587
Remuneration of councillors	4 545	4 977	5 334	6 488	6 857	6 857	7 303	7 733	8 143
Depreciation & asset impairment	13 550	110 941	141 340	21 557	4 881	4 881	14 428	16 159	17 452
Finance charges	6 071	6 611	7 594	7 836	7 926	7 926	12 740	14 269	15 411
Materials and bulk purchases	47 557	62 456	79 408	101 498	101 376	101 376	116 901	132 512	150 221
Transfers and grants	421	590	855	545	621	621	466	641	705
Other expenditure	74 450	103 498	141 610	88 276	110 564	110 564	96 786	104 194	112 933
Total Expenditure	242 867	396 490	515 968	374 189	387 407	387 407	418 697	453 667	495 452
Surplus/(Deficit)	(13 618)	(99 123)	(166 870)	(4 561)	(10 343)	(10 343)	1 556	1 706	1 846
Transfers recognised - capital	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Contributions recognised - capital & contributed assets	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Capital expenditure & funds sources									
Capital expenditure	26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254
Transfers recognised - capital	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Public contributions & donations	—	—	—	—	—	—	—	—	—
Borrowing	7 592	12 450	15 541	77 698	64 249	64 249	42 468	23 473	26 069
Internally generated funds	4 427	6 550	9 054	7 000	5 293	5 293	4 000	4 400	4 800
Total sources of capital funds	26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254
Financial position									
Total current assets	51 658	54 530	49 129	36 611	42 473	42 473	52 411	53 006	58 106
Total non current assets	161 097	2 384 153	2 276 124	2 564 820	2 377 576	2 377 576	2 444 176	2 477 037	2 517 839
Total current liabilities	99 687	50 282	61 313	55 000	83 820	83 820	89 170	85 505	87 103
Total non current liabilities	60 400	83 783	117 404	173 453	163 243	163 243	198 315	212 583	227 656
Community wealth/Equity	52 668	2 304 617	2 146 536	2 372 978	2 172 987	2 172 987	2 209 102	2 231 955	2 261 186
Cash flows									
Net cash from (used) operating	24 301	24 782	5 212	76 473	47 367	47 367	50 280	34 942	47 374
Net cash from (used) investing	(24 785)	(33 773)	(33 331)	(152 464)	(104 547)	(104 547)	(82 028)	(50 021)	(58 254)
Net cash from (used) financing	37 736	2 623	16 075	74 513	64 613	64 613	37 126	12 173	14 330
Cash/cash equivalents at the year end	23 344	16 977	4 932	12 248	12 366	12 366	17 744	14 839	18 289
Cash backing/surplus reconciliation									
Cash and investments available	23 344	22 682	10 695	16 248	16 366	16 366	22 744	20 839	24 289
Application of cash and investments	4 686	10 909	12 367	6 119	28 944	28 944	24 264	20 022	18 453
Balance - surplus (shortfall)	18 659	11 773	(1 671)	10 129	(12 578)	(12 578)	(1 520)	816	5 836
Asset management									
Asset register summary (WDV)	161 052	2 384 148	2 276 121	2 564 820	2 377 576	2 377 576	2 444 176	2 477 037	2 517 839
Depreciation & asset impairment	13 550	110 941	141 340	21 557	4 881	4 881	14 428	16 159	17 452
Renewal of Existing Assets	—	—	—	9 230	12 420	12 420	4 780	7 592	300
Repairs and Maintenance	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219
Free services									
Cost of Free Basic Services provided	14 508	12 555	16 117	16 370	19 155	19 155	20 499	21 937	23 479
Revenue cost of free services provided	14 508	12 555	16 117	16 370	19 303	19 303	20 658	22 105	23 657
Households below minimum service level									
Water:	0	0	0	—	—	—	—	—	—
Sanitation/sewerage:	2	2	2	3	3	3	3	4	4
Energy:	1	1	1	1	1	1	1	1	1
Refuse:	—	—	—	—	—	—	—	—	—

5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs except for the case of eradicating the bucket systems. Government assistance and allocations through the housing programme is slow and unacceptable.

**Table 18 MBRR Table A2 - Budgeted Financial Performance
(Revenue and expenditure by standard classification)**

Standard Classification Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard									
<i>Governance and administration</i>	76 492	83 558	93 531	171 032	138 519	138 519	149 134	142 871	158 739
Executive and council	26 957	34 974	38 105	40 859	41 947	41 947	48 654	52 082	55 751
Budget and treasury office	48 154	47 729	54 591	129 256	95 322	95 322	99 192	89 405	101 500
Corporate services	1 381	854	835	917	1 250	1 250	1 288	1 384	1 488
<i>Community and public safety</i>	22 788	47 790	49 721	15 995	17 843	17 843	17 167	18 653	20 268
Community and social services	544	1 328	884	836	624	624	1 279	1 391	1 511
Sport and recreation	4 645	5 330	3 994	5 331	5 148	5 148	5 650	6 215	6 836
Public safety	6 263	5 780	6 717	7 332	6 991	6 991	7 421	8 163	8 980
Housing	5 232	34 225	37 006	1 300	3 893	3 893	1 600	1 600	1 600
Health	6 104	1 126	1 119	1 196	1 187	1 187	1 216	1 283	1 341
<i>Economic and environmental services</i>	781	865	1 697	703	1 441	1 441	2 019	2 167	2 331
Planning and development	621	707	1 114	518	752	752	1 810	1 937	2 078
Road transport	161	158	582	185	689	689	209	230	253
<i>Trading services</i>	143 647	174 334	212 857	251 475	256 054	256 054	286 492	312 829	343 346
Electricity	84 484	108 228	142 047	173 807	174 937	174 937	194 192	215 546	239 248
Water	31 045	34 510	36 053	40 395	40 572	40 572	43 414	46 455	49 709
Waste water management	16 991	19 044	20 367	21 534	23 508	23 508	26 227	26 583	28 446
Waste management	11 127	12 552	14 390	15 739	17 037	17 037	22 659	24 245	25 942
Other	0	1	10	1	1	1	1	0	0
Total Revenue - Standard	243 709	306 547	357 817	439 207	413 858	413 858	454 813	476 519	524 683
Expenditure - Standard									
<i>Governance and administration</i>	66 149	156 168	228 268	85 912	102 173	102 173	105 245	111 460	120 961
Executive and council	16 363	107 453	158 832	14 877	31 430	31 430	23 543	21 205	22 839
Budget and treasury office	30 762	30 718	30 342	31 306	35 927	35 927	37 043	40 198	43 158
Corporate services	19 023	17 997	39 094	39 730	34 815	34 815	44 659	50 057	54 964
<i>Community and public safety</i>	41 141	73 483	85 428	56 325	61 433	61 433	62 527	67 264	72 021
Community and social services	2 899	2 976	4 411	5 499	7 156	7 156	6 167	6 634	7 105
Sport and recreation	17 913	19 901	23 710	25 252	25 799	25 799	28 857	31 098	33 276
Public safety	11 545	13 187	16 120	18 311	17 155	17 155	19 071	20 640	22 138
Housing	5 779	33 909	37 019	2 723	6 581	6 581	3 198	3 273	3 498
Health	3 004	3 510	4 167	4 541	4 742	4 742	5 234	5 620	6 005
<i>Economic and environmental services</i>	16 357	16 036	22 652	23 783	24 308	24 308	25 032	27 089	27 845
Planning and development	5 997	5 847	9 592	10 776	11 597	11 597	10 491	11 395	12 203
Road transport	10 360	10 189	13 060	13 007	12 711	12 711	14 541	15 694	15 642
<i>Trading services</i>	118 034	149 624	178 142	206 482	197 840	197 840	224 192	246 005	272 640
Electricity	64 630	83 330	106 737	130 517	125 392	125 392	143 909	161 904	181 842
Water	22 783	27 673	31 210	32 615	29 500	29 500	32 966	34 603	37 641
Waste water management	13 991	17 712	19 238	20 841	20 544	20 544	24 770	25 534	27 749
Waste management	16 631	20 908	20 957	22 510	22 404	22 404	22 547	23 964	25 408
Other	1 186	1 179	1 478	1 686	1 653	1 653	1 701	1 848	1 985
Total Expenditure - Standard	242 867	396 490	515 968	374 189	387 407	387 407	418 697	453 667	495 452
Surplus/(Deficit) for the year	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste Water Management functions, but not the Waste Management function. For the first time the Waste Management function's operating revenue will exceed the operating expenditure.
4. Other functions that show a deficit between revenue and expenditure are being financed through the trading services profit, from rates revenues and other revenue sources reflected in the table.

**Table 19 MBRR Table A3 - Budgeted Financial Performance
(Revenue and expenditure by municipal vote)**

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote									
Vote 1 - MUNICIPAL MANAGER	31 532	40 365	41 778	45 920	46 858	46 858	53 876	57 825	62 068
Vote 2 - CORPORATE SERVICES	1 031	914	879	960	1 376	1 376	1 392	1 498	1 614
Vote 3 - FINANCIAL SERVICES	48 724	47 864	54 725	129 256	95 322	95 322	99 192	89 405	101 500
Vote 4 - DEVELOPMENT SERVICES	25 392	22 759	25 504	27 119	28 435	28 435	35 395	38 109	41 022
Vote 5 - TECHNICAL SERVICES	137 030	194 645	234 930	235 952	241 866	241 866	264 958	289 683	318 479
Total Revenue by Vote	243 709	306 547	357 817	439 207	413 858	413 858	454 813	476 519	524 683
Expenditure by Vote to be appropriated									
Vote 1 - MUNICIPAL MANAGER	23 648	116 239	174 156	31 561	49 964	49 964	41 684	41 456	44 644
Vote 2 - CORPORATE SERVICES	10 580	9 698	14 601	16 646	16 583	16 583	17 160	18 375	19 866
Vote 3 - FINANCIAL SERVICES	30 936	30 854	30 467	31 306	35 927	35 927	37 043	40 198	43 158
Vote 4 - DEVELOPMENT SERVICES	55 372	65 399	77 808	85 974	85 934	85 934	93 177	100 047	106 796
Vote 5 - TECHNICAL SERVICES	122 331	174 300	218 936	208 702	198 999	198 999	229 633	253 591	280 988
Total Expenditure by Vote	242 867	396 490	515 968	374 189	387 407	387 407	418 697	453 667	495 452
Surplus/(Deficit) for the year	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

1. The electricity trading surplus is deteriorating over the 2012/2013 MTREF from 28.3% R 49.5 million in 2011/2012 to 24.0% by 2014/2015. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality and NERSA to buffer the impact of these increases on individual consumers.
2. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 25.1%, 25.5% and 24.3% for each of the respective financial years.
3. Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and to cross-subsidise other municipal services.*

Table 20 Surplus/(Deficit) calculations for the trading services

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Electricity									
Total Revenue (Including capital grants and transfers)	84 484	108 228	142 047	173 807	174 937	174 937	194 192	215 546	239 248
Operating Expenditure	64 630	83 330	106 737	130 517	125 392	125 392	143 961	161 904	181 842
Surplus/(Deficit) for the year	19 855	24 897	35 310	43 291	49 545	49 545	50 231	53 642	57 406
Percentage Surplus	23.5%	23.0%	24.9%	24.9%	28.3%	28.3%	25.9%	24.9%	24.0%
Water									
Total Revenue (Including capital grants and transfers)	31 045	34 510	36 053	40 395	40 572	40 572	43 414	46 455	49 709
Operating Expenditure	22 783	27 673	31 210	32 615	29 500	29 500	32 516	34 603	37 641
Surplus/(Deficit) for the year	8 262	6 837	4 844	7 779	11 072	11 072	10 897	11 852	12 068
Percentage Surplus	26.6%	19.8%	13.4%	19.3%	27.3%	27.3%	25.1%	25.5%	24.3%

Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source									
Property rates	32 185	34 970	38 104	40 858	41 934	41 934	48 654	52 081	55 750
Service charges - electricity revenue	84 342	108 081	141 879	173 675	174 834	174 834	194 082	215 425	239 115
Service charges - water revenue	30 526	34 312	35 927	40 390	40 571	40 571	43 412	46 454	49 708
Service charges - sanitation revenue	16 990	19 044	20 356	21 534	23 215	23 215	24 842	26 583	28 446
Service charges - refuse revenue	11 127	12 552	14 390	15 739	17 037	17 037	22 659	24 245	25 942
Rental of facilities and equipment	5 012	5 754	4 404	5 736	5 637	5 637	6 192	6 812	7 493
Interest earned - external investments	2 428	2 428	856	1 500	512	512	1 512	1 588	1 667
Interest earned - outstanding debtors	1 401	1 791	2 123	2 200	2 638	2 638	2 902	3 106	3 323
Fines	1 691	1 001	1 386	1 890	1 519	1 519	1 611	1 772	1 949
Licences and permits	1 445	1 232	1 554	1 527	1 575	1 575	1 669	1 836	2 020
Agency services	2 456	2 830	3 075	3 141	3 221	3 221	3 415	3 756	4 132
Transfers recognised - operational	36 621	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Other revenue	2 321	2 980	3 263	2 592	2 654	2 654	2 751	3 025	3 327
Gains on disposal of PPE	705	71	48	50	0	0	-	-	-
Total Revenue (excluding capital transfers and contributions)	229 249	297 367	349 098	369 628	377 064	377 064	420 253	455 372	497 298
Expenditure By Type									
Employee related costs	96 273	107 418	139 826	147 989	155 182	155 182	170 073	178 157	190 587
Remuneration of councillors	4 545	4 977	5 334	6 488	6 857	6 857	7 303	7 733	8 143
Debt impairment	259	2 949	784	500	500	500	540	600	650
Depreciation & asset impairment	13 550	110 941	141 340	21 557	4 881	4 881	14 428	16 159	17 452
Finance charges	6 071	6 611	7 594	7 836	7 926	7 926	12 740	14 269	15 411
Bulk purchases	47 557	62 456	79 408	101 498	101 376	101 376	116 901	132 512	150 221
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	14 203	6 419	10 120	9 412	10 106	10 106	10 485	9 376	9 875
Transfers and grants	421	590	855	545	621	621	466	641	705
Other expenditure	59 987	94 129	130 707	78 364	99 958	99 958	85 761	94 219	102 407
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	242 867	396 490	515 968	374 189	387 407	387 407	418 697	453 667	495 452
Surplus/(Deficit)	(13 618)	(99 123)	(166 870)	(4 561)	(10 343)	(10 343)	1 556	1 706	1 846
Transfers recognised - capital	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 420.2 million in 2012/2013 and escalates to R 497.2 million by 2014/2015. This represents a year-on-year increase of 8.4% for the 2013/2014 financial year and 9.2% for the 2014/2015 financial year.
2. Revenue to be generated from property rates is R 48.7 million in the 2012/2013 financial year and increases to R 55.8 million by 2014/2015 which represents 11.2% of the operating revenue base of the municipality and therefore remains a significant

funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 8%, 7% and 7% for each of the respective financial years of the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 285.0 million for the 2012/2013 financial year and increasing to R 343.2 million by 2014/2015. For the 2012/2013 financial year services charges amount to 67.8% of the total revenue base and grows by about 0.6% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 7.8%, 3.2% and 8.4%. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

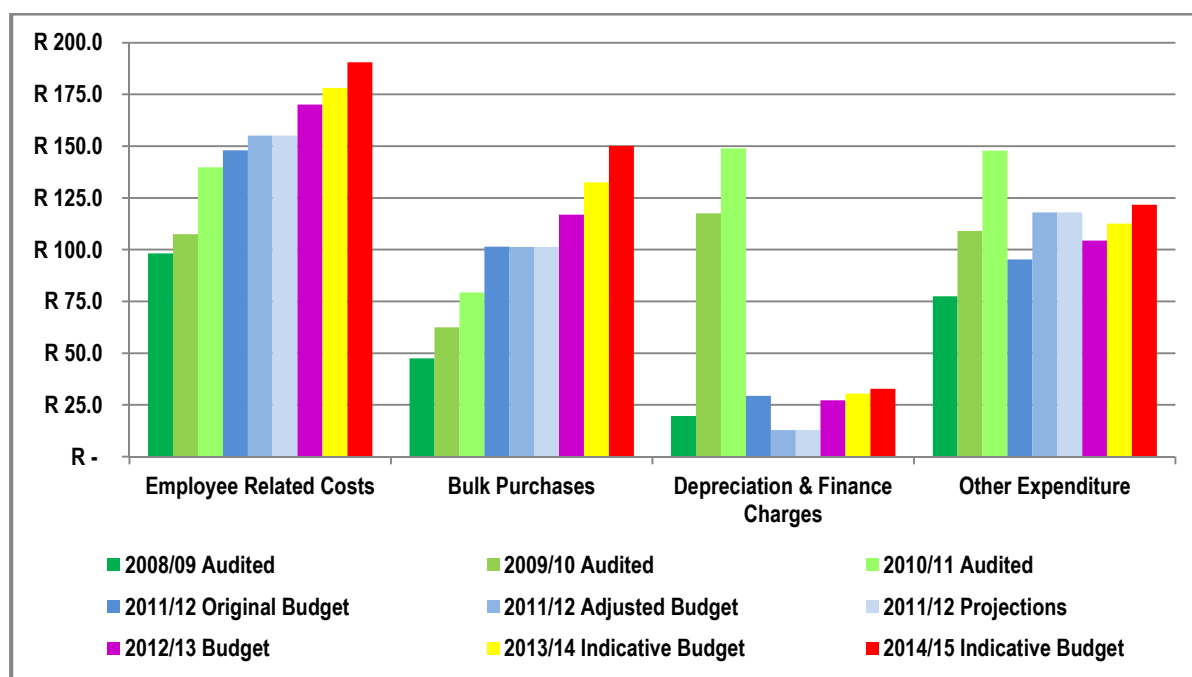


Figure 3 Expenditure by major type

The graph above illustrates the major expenditure items per type. Please note that the amounts in the graph represent millions of rand.

1. Bulk purchases have significantly increased over the 2008/2009 to 2014/2015 period escalating from R 47.5 million to R 150.2 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.
3. Off-setting depreciation, due to the implementation of the GRAP Accounting Standards on the municipality's assets that has to be recorded directly into the Statement of Financial Performance instead of the Statement of Changes in Net Assets is skewing the picture with regard to depreciation and finance charges.

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 below is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for the 2012/2013 financial year R 50.2 million has been allocated of the total R 81.0 million capital budget, which totals 62.0%. This allocation decreases to R 23.1 million in 2013/2014 and then flattens out to R 38.8 million in 2014/2015 owing primarily to the fact that various projects reach completion in 2012/2013 hence the spike in expenditure in year two.
3. Single-year capital expenditure has been appropriated at R 30.8 million for the 2012/2013 financial year and decreases over the MTREF at levels of R 25.9 million and R 19.4 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of

vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

**Table 22 MBRR Table A5 - Budgeted Capital Expenditure
by vote, standard classification and funding source**

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure - Vote									
<i>Multi-year expenditure to be appropriated</i>									
Vote 1 - MUNICIPAL MANAGER	-	-	-	-	260	260	3 310	2 800	2 800
Vote 2 - CORPORATE SERVICES	-	9	-	-	1 444	1 444	-	-	17 568
Vote 3 - FINANCIAL SERVICES	-	4	-	-	-	-	-	-	-
Vote 4 - DEVELOPMENT SERVICES	-	-	-	-	-	-	-	978	4 076
Vote 5 - TECHNICAL SERVICES	708	7	-	250	21 252	21 252	46 901	19 342	14 404
Capital multi-year expenditure sub-total	708	20	-	250	22 955	22 955	50 211	23 120	38 848
<i>Single-year expenditure to be appropriated</i>									
Vote 1 - MUNICIPAL MANAGER	403	1 797	1 585	4 000	1 880	1 880	1 150	1 545	1 940
Vote 2 - CORPORATE SERVICES	492	1 209	4 909	15 000	823	823	-	-	-
Vote 3 - FINANCIAL SERVICES	14	125	142	-	87	87	-	-	-
Vote 4 - DEVELOPMENT SERVICES	673	2 896	3 108	2 091	9 693	9 693	-	5 644	-
Vote 5 - TECHNICAL SERVICES	24 190	22 132	23 569	132 936	70 898	70 898	29 666	18 712	17 466
Capital single-year expenditure sub-total	25 771	28 160	33 313	154 027	83 381	83 381	30 816	25 901	19 406
Total Capital Expenditure - Vote	26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254
Capital Expenditure - Standard									
<i>Governance and administration</i>									
Executive and council	1 111	12 109	7 982	31 975	31 097	31 097	9 650	15 257	22 308
Budget and treasury office	183	550	41	4 000	1 979	1 979	3 950	4 345	4 740
Corporate services	14	129	142	-	87	87	-	-	-
<i>Community and public safety</i>									
Community and social services	915	11 429	7 799	27 975	29 030	29 030	5 700	10 912	17 568
Sport and recreation	377	2 554	3 039	1 325	9 136	9 136	-	3 764	4 076
Public safety	57	250	264	1 000	4 459	4 459	-	-	-
Housing	211	2 093	391	65	4 280	4 280	-	3 764	4 076
Health	93	129	2 274	160	373	373	-	-	-
<i>Economic and environmental services</i>									
Planning and development	3	-	26	-	-	-	-	-	-
Road transport	13	82	83	100	25	25	-	-	-
Environmental protection	4 501	1 216	6 892	36 550	29 283	29 283	18 402	8 303	-
Trading services	75	206	98	-	138	138	510	-	-
Electricity	4 426	1 010	6 794	36 550	29 145	29 145	17 892	8 303	-
Water	-	-	-	-	-	-	-	-	-
Waste water management	20 490	12 290	15 401	84 427	36 820	36 820	52 975	21 696	31 870
Waste management	12 048	5 107	11 359	25 706	22 318	22 318	23 026	10 255	12 524
Other	8 138	4 734	2 054	33 055	11 694	11 694	21 140	600	600
	-	1 990	1 951	24 900	2 242	2 242	8 809	7 984	18 746
	304	459	37	766	566	566	-	2 857	-
	-	11	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254
Funded by:									
National Government	11 971	6 161	7 820	64 079	29 909	29 909	34 050	21 147	27 385
Provincial Government	2 489	3 019	364	5 500	2 782	2 782	510	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	535	-	4 104	4 104	-	-	-
Transfers recognised - capital	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	7 592	12 450	15 541	77 698	64 249	64 249	42 468	23 473	26 069
Internally generated funds	4 427	6 550	9 054	7 000	5 293	5 293	4 000	4 400	4 800
Total Capital Funding	26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254

5. The capital programme is funded from capital and provincial grants and transfers, public contributions and donations, borrowing and internally generated funds from current year surpluses. For 2012/2013, capital transfers totals R 34.6 million (42.7%) and decreases to R 27.4 million by 2014/2015 (47.0%). Borrowing has been provided at R 92.0 million over the MTREF with internally generated funding totaling R 4.0 million, R 4.4 million and R 4.8 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 - Budgeted Financial Position

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS									
Current assets									
Cash	62	213	6	6	6	6	6	6	6
Call investment deposits	26 164	26 241	12 057	16 242	16 360	16 360	22 738	20 833	24 283
Consumer debtors	14 104	17 683	25 462	14 363	18 607	18 607	22 167	24 667	26 317
Other debtors	7 196	6 595	6 549	2 215	3 715	3 715	3 715	3 715	3 715
Current portion of long-term receivables	13	13	23	—	—	—	—	—	—
Inventory	4 119	3 785	5 033	3 785	3 785	3 785	3 785	3 785	3 785
Total current assets	51 658	54 530	49 129	36 611	42 473	42 473	52 411	53 006	58 106
Non current assets									
Long-term receivables	45	5	3	—	—	—	—	—	—
Investments	—	—	—	—	—	—	—	—	—
Investment property	—	179 157	182 357	179 157	182 357	182 357	182 357	182 357	182 357
Investment in Associate	—	—	—	—	—	—	—	—	—
Property, plant and equipment	161 052	2 201 746	2 091 671	2 382 401	2 192 567	2 192 567	2 259 167	2 292 028	2 332 830
Agricultural	—	—	—	—	—	—	—	—	—
Biological	—	—	—	—	—	—	—	—	—
Intangible	—	3 245	2 093	3 262	2 652	2 652	2 652	2 652	2 652
Other non-current assets	—	—	—	—	—	—	—	—	—
Total non current assets	161 097	2 384 153	2 276 124	2 564 820	2 377 576	2 377 576	2 444 176	2 477 037	2 517 839
TOTAL ASSETS	212 755	2 438 682	2 325 253	2 601 431	2 420 049	2 420 049	2 496 587	2 530 043	2 575 945
LIABILITIES									
Current liabilities									
Bank overdraft	2 881	3 773	1 368	—	—	—	—	—	—
Borrowing	2 566	3 653	6 555	17 000	17 000	17 000	18 000	19 000	20 000
Consumer deposits	3 898	4 620	5 787	8 000	8 000	8 000	10 958	9 958	10 519
Trade and other payables	25 486	34 404	43 671	22 500	51 320	51 320	50 432	47 547	47 485
Provisions	64 856	3 833	3 932	7 500	7 500	7 500	9 780	9 000	9 100
Total current liabilities	99 687	50 282	61 313	55 000	83 820	83 820	89 170	85 505	87 103
Non current liabilities									
Borrowing	57 826	58 730	70 207	144 624	120 175	120 175	153 643	165 616	178 185
Provisions	2 574	25 053	47 197	28 829	43 068	43 068	44 672	46 967	49 471
Total non current liabilities	60 400	83 783	117 404	173 453	163 243	163 243	198 315	212 583	227 656
TOTAL LIABILITIES	160 087	134 065	178 717	228 453	247 063	247 063	287 484	298 088	314 759
NET ASSETS	52 668	2 304 617	2 146 536	2 372 978	2 172 987	2 172 987	2 209 102	2 231 955	2 261 186
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(54 274)	2 304 617	2 146 536	2 372 978	2 172 987	2 172 987	2 209 102	2 231 955	2 261 186
Reserves	106 942	—	—	—	—	—	—	—	—
Minorities' interests	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	52 668	2 304 617	2 146 536	2 372 978	2 172 987	2 172 987	2 209 102	2 231 955	2 261 186

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors, management and other users

of budget documentation of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 66 is supported by an extensive table of notes (SA3 which can be found on page 131) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the Statement of Financial Position.

Table 24 MBRR Table A7 - Budgeted Cash Flow Statement

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	184 274	212 905	255 714	314 933	322 632	322 632	345 187	378 889	415 582
Government - operating	36 557	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Government - capital	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Interest	3 829	4 240	2 979	3 700	3 151	3 151	4 415	4 693	4 990
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(208 219)	(264 468)	(335 484)	(362 124)	(368 379)	(368 379)	(387 227)	(423 567)	(458 830)
Finance charges	(6 070)	(6 598)	(7 594)	(7 836)	(7 926)	(7 926)	(12 740)	(14 269)	(15 473)
Transfers and Grants	(529)	(798)	(855)	(575)	(621)	(621)	(466)	(641)	(705)
NET CASH FROM/(USED) OPERATING ACTIVITIES	24 301	24 782	5 212	76 473	47 367	47 367	50 280	34 942	47 374
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	757	71	48	50	0	0	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	2	41	(8)	-	26	26	-	-	-
Decrease (increase) in non-current investments	-	(5 705)	(58)	1 763	1 763	1 763	(1 000)	(1 000)	-
Payments									
Capital assets	(25 544)	(28 179)	(33 313)	(154 277)	(106 336)	(106 336)	(81 028)	(49 021)	(58 254)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24 785)	(33 773)	(33 331)	(152 464)	(104 547)	(104 547)	(82 028)	(50 021)	(58 254)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Increase in Trust Funds	702	-	528	-	1 988	1 988	(300)	200	200
Borrowing long term/refinancing	38 471	4 704	19 519	77 698	64 249	64 249	42 468	23 473	26 069
Increase (decrease) in consumer deposits	262	722	1 168	2 960	2 213	2 213	2 958	(1 000)	561
Payments									
Repayment of trust funds	-	(90)	-	1 988	-	-	-	-	-
Repayment of borrowing	(1 699)	(2 713)	(5 140)	(8 133)	(3 836)	(3 836)	(8 000)	(10 500)	(12 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	37 736	2 623	16 075	74 513	64 613	64 613	37 126	12 173	14 330
NET INCREASE/ (DECREASE) IN CASH HELD	37 252	(6 368)	(12 045)	(1 478)	7 434	7 434	5 378	(2 905)	3 450
Cash/cash equivalents at the year begin:	(13 908)	23 344	16 977	13 726	4 932	4 932	12 366	17 744	14 839
Cash/cash equivalents at the year end:	23 344	16 977	4 932	12 248	12 366	12 366	17 744	14 839	18 289

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality fell significantly over the 2008/2009 to 2010/2011 period owing directly to a net decrease in cash for the 2009/2010 and 2010/2011 financial years of R 6.4 million and R 12.0 million respectively. The 2011/2012 financial year project a net increase of R 7.4 million with an overall projected positive cash position of R 7.4 million. This amount includes unspent conditional grants.

4. The approved 2012/2013 MTREF provide for a further net increase in cash of R 5.4 million for the 2012/2013 financial year resulting in an overall projected positive cash position of R 17.7 million at year end.
5. As part of the 2011/2012 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalisation of spending priorities.
6. In addition the municipality undertook an extensive debt collection drive resulting in cash receipts on government arrear debtors.
7. The 2012/2013 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
8. Cash and cash equivalents totals project R 17.7 million as at the end of the 2012/2013 financial year and escalate to a projected R 18.3 million by 2014/2015.

Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available									
Cash/cash equivalents at the year end	23 344	16 977	4 932	12 248	12 366	12 366	17 744	14 839	18 289
Other current investments > 90 days	-	5 705	5 763	4 000	4 000	4 000	5 000	6 000	6 000
Non current assets - Investments	-	-	-	-	-	-	-	-	-
Cash and investments available:	23 344	22 682	10 695	16 248	16 366	16 366	22 744	20 839	24 289
Application of cash and investments									
Unspent conditional transfers	8 538	11 064	18 887	0	30 840	30 840	23 407	27 191	27 191
Other working capital requirements	(6 426)	(2 640)	(9 532)	1 119	(6 896)	(6 896)	(3 843)	(12 069)	(13 839)
Reserves to be backed by cash/investments	2 574	2 484	3 012	5 000	5 000	5 000	4 700	4 900	5 100
Total Application of cash and investments:	4 686	10 909	12 367	6 119	28 944	28 944	24 264	20 022	18 453
Surplus(shortfall)	18 659	11 773	(1 671)	10 129	(12 578)	(12 578)	(1 520)	816	5 836

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves / accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2008/2009 to 2011/2012 the cash surplus of R 18.7 million deteriorated to a cash deficit of R 12.6 million before it starts improving again for the MTREF to R 5.8 million in 2014/2015. The main reason for these "unfunded" projections was a lack of cash due to government not honouring their property rates and service charges outstanding debt as well as housing programme claims not paid out by provincial government.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2012/2013 MTREF was not funded owing to the deficits.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2012/2013 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modeled to progressively move from a projected deficit of R 12.6 million in 2011/2012 to a surplus of R 5.8 million by 2014/2015.

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Table 26 MBRR Table A9 - Asset Management

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CAPITAL EXPENDITURE									
Total New Assets	26 479	28 179	33 313	145 047	93 916	93 916	76 248	41 429	57 954
Infrastructure - Road transport	4 471	1 249	6 607	29 600	18 401	18 401	15 392	8 303	—
Infrastructure - Electricity	12 034	4 980	11 359	25 306	22 318	22 318	23 026	10 255	12 524
Infrastructure - Water	8 110	4 723	3 110	32 255	11 287	11 287	20 840	300	300
Infrastructure - Sanitation	279	1 988	1 180	24 450	1 409	1 409	8 809	7 984	18 746
Infrastructure - Other	69	—	—	1 966	613	613	3 310	5 657	2 800
Infrastructure	24 964	12 941	22 257	113 577	54 027	54 027	71 378	32 499	34 370
Community	859	1 678	574	470	9 256	9 256	—	3 764	4 076
Heritage assets	5	—	—	—	—	—	—	—	—
Investment properties	—	—	3 200	—	—	—	—	—	—
Other assets	651	13 560	7 234	31 000	30 074	30 074	4 870	5 165	19 508
Intangibles	—	—	48	—	558	558	—	—	—
Total Renewal of Existing Assets	—	—	—	9 230	12 420	12 420	4 780	7 592	300
Infrastructure - Road transport	—	—	—	7 300	10 870	10 870	2 500	—	—
Infrastructure - Electricity	—	—	—	400	—	—	—	—	—
Infrastructure - Water	—	—	—	530	430	430	300	300	300
Infrastructure - Sanitation	—	—	—	450	787	787	—	—	—
Infrastructure - Other	—	—	—	—	—	—	—	—	—
Infrastructure	—	—	—	8 680	12 087	12 087	2 800	300	300
Community	—	—	—	450	67	67	—	—	—
Other assets	—	—	—	100	267	267	1 980	7 292	—
Intangibles	—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4 471	1 249	6 607	36 900	29 271	29 271	17 892	8 303	—
Infrastructure - Road transport	12 034	4 980	11 359	25 706	22 318	22 318	23 026	10 255	12 524
Infrastructure - Electricity	8 110	4 723	3 110	32 785	11 717	11 717	21 140	600	600
Infrastructure - Water	279	1 988	1 180	24 900	2 196	2 196	8 809	7 984	18 746
Infrastructure - Sanitation	69	—	—	1 966	613	613	3 310	5 657	2 800
Infrastructure - Other	24 964	12 941	22 257	122 257	66 114	66 114	74 178	32 799	34 670
Infrastructure	859	1 678	574	920	9 323	9 323	—	3 764	4 076
Community	5	—	—	—	—	—	—	—	—
Heritage assets	—	—	3 200	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	651	13 560	7 234	31 100	30 341	30 341	6 850	12 457	19 508
Intangibles	—	—	48	—	558	558	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	22 913	857 963	787 751	900 814	815 486	815 486	828 835	832 051	826 557
Infrastructure - Electricity	46 988	346 783	339 513	374 763	360 651	360 651	380 189	386 537	394 842
Infrastructure - Water	44 486	470 809	457 482	500 780	468 349	468 349	486 978	484 765	482 327
Infrastructure - Sanitation	16 966	152 107	144 955	171 837	146 251	146 251	152 400	157 404	172 932
Infrastructure - Other	4 712	32 225	29 533	38 297	29 972	29 972	32 772	37 857	40 040
Infrastructure	136 065	1 859 887	1 759 234	1 986 491	1 820 709	1 820 709	1 881 174	1 898 615	1 916 698
Community	7 499	64 731	62 196	66 923	71 412	71 412	71 097	74 508	78 202
Heritage assets	263	4 273	4 273	4 273	4 273	4 273	4 273	4 273	4 273
Investment properties	—	179 157	182 357	179 157	182 357	182 357	182 357	182 357	182 357
Other assets	17 225	272 856	265 967	324 713	296 173	296 173	302 623	314 632	333 657
Intangibles	—	3 245	2 093	3 262	2 652	2 652	2 652	2 652	2 652
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	161 052	2 384 148	2 276 121	2 564 820	2 377 576	2 377 576	2 444 176	2 477 037	2 517 839
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	13 550	110 941	141 340	21 557	4 881	4 881	14 428	16 159	17 452
Repairs and Maintenance by Asset Class	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219
Infrastructure - Road transport	394	302	359	514	571	571	669	743	818
Infrastructure - Electricity	362	482	695	726	728	728	661	778	856
Infrastructure - Water	406	393	338	643	800	800	813	966	1 062
Infrastructure - Sanitation	85	40	81	178	136	136	215	237	261
Infrastructure - Other	9	1	20	25	45	45	48	53	59
Infrastructure	1 255	1 217	1 492	2 086	2 281	2 281	2 407	2 777	3 055
Community	254	289	403	462	432	432	484	532	586
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	6 544	6 929	8 567	8 558	8 207	8 207	8 719	9 618	10 579
TOTAL EXPENDITURE OTHER ITEMS	21 603	119 376	151 803	32 663	15 801	15 801	26 038	29 086	31 671
Renewal of Existing Assets as % of total capex	0.0%	0.0%	0.0%	6.0%	11.7%	11.7%	5.9%	15.5%	0.5%
Renewal of Existing Assets as % of deprecn"	0.0%	0.0%	0.0%	42.8%	254.5%	254.5%	33.1%	47.0%	1.7%
R&M as a % of PPE	5.0%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
Renewal and R&M as a % of PPE	5.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality cannot meet these recommendations due to a lack of financial resources.
3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the municipality's strategy to address the maintenance of assets.

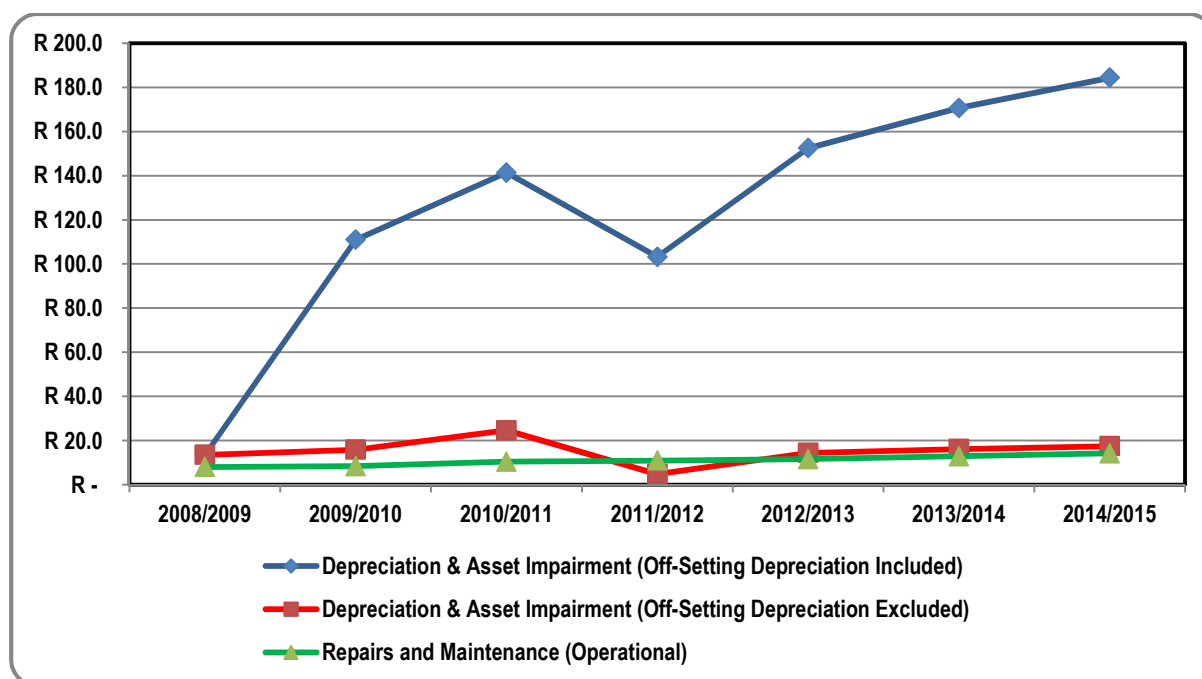


Figure 4 Depreciation in relation to repairs and maintenance over the MTREF

4. It is clear from the above graph that operating repairs and maintenance expenditure runs well with depreciation and asset impairment costs (off-setting depreciation excluded). However, depreciation and asset impairment costs (off-setting depreciation included) due to the implementation of the GRAP Accounting Standards on the carrying values of componentised assets makes it virtually unaffordable to maintain the municipality's assets at depreciated replacement cost.

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets									
Water:									
Piped water inside dwelling	9 100	9 550	9 971	9 971	9 971	9 971	9 971	10 221	10 450
Piped water inside yard (but not in dwelling)	2 210	2 645	3 172	6 190	6 190	6 190	6 190	6 680	7 320
Using public tap (at least min.service level)	680	890	1 259	1 716	1 716	1 716	2 150	2 485	2 799
Other water supply (at least min.service level)	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>	11 990	13 085	14 402	17 877	17 877	17 877	18 311	19 386	20 569
Using public tap (< min.service level)	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	249	249	249	—	—	—	—	—	—
No water supply	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	249	249	249	—	—	—	—	—	—
Total number of households	12 239	13 334	14 651	17 877	17 877	17 877	18 311	19 386	20 569
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	12 345	12 650	13 191	13 193	13 193	13 193	13 193	13 452	13 690
Flush toilet (with septic tank)	217	217	217	320	320	320	320	380	420
Chemical toilet	—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)	151	151	151	151	151	151	151	151	151
Other toilet provisions (> min.service level)	1 110	1 320	1 441	1 441	1 441	1 441	1 730	2 140	2 450
<i>Minimum Service Level and Above sub-total</i>	13 823	14 338	15 000	15 105	15 105	15 105	15 394	16 123	16 711
Bucket toilet	1 345	1 688	1 688	2 498	2 498	2 498	2 890	3 350	3 570
Other toilet provisions (< min.service level)	—	—	—	—	—	—	—	—	—
No toilet provisions	366	366	366	366	366	366	366	345	315
<i>Below Minimum Service Level sub-total</i>	1 711	2 054	2 054	2 864	2 864	2 864	3 256	3 695	3 885
Total number of households	15 534	16 392	17 054	17 969	17 969	17 969	18 650	19 818	20 596
Energy:									
Electricity (at least min.service level)	2 946	2 853	2 720	2 586	2 586	2 586	2 547	2 518	2 510
Electricity - prepaid (min.service level)	14 025	14 784	15 790	14 328	14 328	14 328	14 651	15 491	15 911
<i>Minimum Service Level and Above sub-total</i>	16 971	17 637	18 510	16 914	16 914	16 914	17 198	18 009	18 421
Electricity (< min.service level)	—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)	—	—	—	—	—	—	—	—	—
Other energy sources	810	819	720	1 300	1 300	1 300	700	700	700
<i>Below Minimum Service Level sub-total</i>	810	819	720	1 300	1 300	1 300	700	700	700
Total number of households	17 781	18 456	19 230	18 214	18 214	18 214	17 898	18 709	19 121
Refuse:									
Removed at least once a week	—	18 500	18 880	1 880	19 200	19 800	20 200	20 450	21 000
<i>Minimum Service Level and Above sub-total</i>	—	18 500	18 880	1 880	19 200	19 800	20 200	20 450	21 000
Removed less frequently than once a week	—	—	—	—	—	—	—	—	—
Using communal refuse dump	—	—	—	—	—	—	—	—	—
Using own refuse dump	—	—	—	—	—	—	—	—	—
Other rubbish disposal	—	—	—	—	—	—	—	—	—
No rubbish disposal	—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>	—	—	—	—	—	—	—	—	—
Total number of households	—	18 500	18 880	1 880	19 200	19 800	20 200	20 450	21 000
Households receiving Free Basic Service									
Water (10 kilolitres per household per month)	—	—	6 818	6 818	6 818	6 818	10 577	10 577	10 577
Sanitation (free minimum level service)	—	—	—	6 818	6 818	6 818	10 577	10 577	10 577
Electricity/other energy (50kwh per household per month)	—	—	—	6 645	6 645	6 645	6 645	6 645	6 645
Refuse (removed at least once a week)	—	—	—	6 818	6 818	6 818	10 577	10 577	10 577
Cost of Free Basic Services provided (R'000)									
Water (10 kilolitres per household per month)	—	—	—	—	—	—	—	—	—
Sanitation (free sanitation service)	—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)	—	—	—	—	—	—	—	—	—
Refuse (removed once a week)	—	—	—	—	—	—	—	—	—
Indigent Subsidy Totals	14 508	12 555	16 117	16 370	19 155	19 155	20 499	21 937	23 479
Total cost of FBS provided (minimum social package)	14 508	12 555	16 117	16 370	19 155	19 155	20 499	21 937	23 479
Highest level of free service provided									
Property rates (R value threshold)	—	—	—	45 000	45 000	45 000	45 000	45 000	45 000
Water (kilolitres per household per month)	—	—	—	10	10	10	10	10	10
Sanitation (Rand per household per month)	—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)	—	—	—	164	164	164	164	164	164
Electricity (kwh per household per month)	—	—	—	50	50	50	50	50	50
Refuse (R per household per month)	—	—	—	108	108	108	108	108	108
Revenue cost of free services provided (R'000)									
Property rates (R45 000 threshold rebate)	—	—	—	—	148	148	159	168	178
Property rates (other exemptions, reductions and rebates)	—	—	—	—	—	—	—	—	—
Water	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—
Electricity/other energy	—	—	—	—	—	—	—	—	—
Refuse	—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies	—	—	—	—	—	—	—	—	—
Indigent Subsidy Totals	14 508	12 555	16 117	16 370	19 155	19 155	20 499	21 937	23 479
Other	—	—	—	—	—	—	—	—	—
Total revenue cost of free services provided (total social package)	14 508	12 555	16 117	16 370	19 303	19 303	20 658	22 105	23 657

2. The City continues to make good progress with the eradication of backlogs:
 - a. The minimum level of water services is available to all households – formal as well as informal areas.
 - b. Sanitation services backlogs steadily increases to the projected 3,885 households in 2014/2015 who receive a service below the minimum service level. These numbers will only reduce when the municipality receives funds from the housing programme for basic service infrastructure. Provincial government is slow in approving funds through the housing programme to build houses with toilets and sewerage networks.
 - c. Electricity services backlogs will be reduced to an estimated 700 households by 2014/2015. Although the MTREF indicates the electrification of 2,104 houses together with electricity infrastructure through INEP grants and external loans, the growing need of more housing makes this an on-going exercise.
 - d. The minimum level of refuse removal services is available to all households – formal as well as informal areas.
3. The budget provides for 10,577 households to be registered as indigent in 2012/2013, and therefore entitled to receiving Free Basic Services. The number is expected to increase over the two outer years.
4. It is anticipated that these Free Basic Services will cost the municipality R 20.4 million in 2012/2013, increasing to R 23.4 million in 2014/2015. This is covered by the municipality's equitable share allocation from national government.
5. In addition to the Free Basic Services, the municipality also 'gives' households R 1.5 million in free services in 2012/2013, and it increases to R 1.7 million in 2014/2015. This 'tax expenditure' needs to be seen within the context of the municipality's overall revenue management strategy – the more the municipality gives away, the less there is available to fund other services. Currently, the 'free services' represent about 5.6% of total operating revenue.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Executive Committee members, the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2011) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget process plan with time schedule on 26 August 2011. Key dates applicable to the process were:

- **November 2011** – 1st Budget work session of all councillors and senior management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/2013 MTREF;
- **January 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines and the compilation of the 1st draft MTREF;
- **January 2012** – Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **February 2012** – Multi-year budget proposals are submitted to the Executive Committee (2nd budget work session of all councillors and senior management) for endorsement;
- **28 February 2012** – Council considers the 2011/2012 Mid-year Review and Adjustments Budget;
- **30 March 2012** – Tabling in Council of the draft 2012/2013 IDP and 2012/2013 MTREF for public consultation;
- **April 2012** – Public consultation
- **30 April 2012** – Closing date for written comments;
- **16 May 2012** – Finalisation of the 2012/2013 IDP and 2012/2013 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **31 May 2012** – Tabling of the 2012/2013 MTREF before Council for consideration and final approval.

There were no serious deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is a newly developed IDP for Council after the municipal elections that were held in May 2011.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the newly developed IDP includes the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2012/2013 MTREF, based on the approved 2011/2012 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2012/2013 MTREF, each department / function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2011/2012 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2012/2013 MTREF; extensive financial modelling were undertaken to ensure affordable tariffs and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2012/2013 MTREF:

- Municipality's growth;
- Policy priorities and strategic objectives;
- Asset maintenance;
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns);
- Performance trends;
- The approved 2011/2012 adjustments budget and performance against the SDBIP;
- Cash Flow Management Strategy;
- Debtor payment levels;
- Loan and investment possibilities;
- The need for tariff increases versus the ability of the community to pay for services; and
- Improved and sustainable service delivery.

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 58 and 59 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2012/2013 MTREF as tabled before Council on 30 March 2012; and, for community consultation was published on the municipality's website and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process during April 2012, and it included a public workshop for all councillors, senior management, ward committee members, sector departments, organisational stakeholders and any member of the local public. The applicable dates and venue were published in all the local newspapers.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2012/2013 MTREF. Feedback and responses to the submissions received are available on request. The following are

some of the issues and concerns raised as well as comments received during the consultation process:

- Extension of Louisvale Road – Sewerage Works – R 3.9 million;
- Connection road between Rosedale and Paballelo – R 19.0 million; and
- Inclusion of the 425 water connections at Paballelo – R 6.1 million.

Significant changes effected in the final 2012/2013 MTREF compared to the draft 2012/2013 MTREF that was tabled for community consultation, include:

- Inclusion of the 425 water connections at Paballelo – R 6.1 million;
- Resealing of Road Infrastructure – R 2.5 million; and
- Increase of training expenditure with R 315 thousand.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this newly developed IDP was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's eleven strategic objectives for the 2012/2013 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 28 IDP Strategic Objectives

Key Performance Area (KPA)	Strategic Objective	Strategic Objective
KPA 1: Governance and Stakeholder Participation	To promote proper governance and public participation	1. Facilitate the establishment of Good Governance Practices within KHM (i.e. Audit Committee, Performance Audit Committee, and Policies & Bylaws Oversight Committees). Internal and External.
		2. Promote stakeholder participation through regular interaction with Stakeholders including wards and other spheres of government.
KPA 2: Physical Infrastructure and Energy Efficiency	To ensure efficient infrastructure and energy supply that will contribute to the improvement of quality of life for all citizens within //Khara Hais	3. Invest in new and existing infrastructure in order to extend the lifespan of municipal infrastructure including roads, storm water, electricity, water, sanitation, public places, etc.
KPA 3: Services and Customer Care	To improve our public relations thereby pledging that our customers are serviced with dignity and care	4. Provide quality basic support services to all communities within KHM (i.e. electricity, water, sanitation, refuse, etc.).
		5. Promote and improve public relations through servicing customers with dignity and care.
KPA 4: Economic Growth and Development	To facilitate sustainable economic empowerment for all communities within //Khara Hais and enabling a viable and conducive economic environment through the development of related initiatives including job creation and skills development	6. Create an environment for business establishment and support initiatives (i.e. increase the number of businesses; entrepreneurial support).
		7. Promote external investment opportunities in sectorial development (i.e. investment activities; entrepreneurial business support programme).
		8. Graduate people out of poverty by facilitating development and empowerment initiatives in order to create sustainable job opportunities.
		9. Market, develop and co-ordinate tourism in the KHM.
		10. Facilitate the development of sustainable land use, economic, spatial and environmental planning frameworks that will support and guide the development of a diversified, resilient and sustainable economy.
KPA 5: Health, Safety and Environment	To contribute to the health and safety of communities in //Khara Hais	11. Provide safety to communities through law enforcement services to KHM.
		12. Prevention, mitigation, identification and management of environmental health, fire and disaster risks.
KPA 6: Social and Community Development	To assist and facilitate with the development and empowerment of the poor	13. Facilitate and ensure the development and empowerment of the poor and most vulnerable people through the implementation of Special Programmes (i.e. Gender, Elderly, Youth and Disabled).
		14. Provision of Sustainable Human Settlement (housing).
		15. Provide equal access to sport, park, recreation facilities and other public amenities to all residents in KHM.
KPA 7: Institutional Transformation	To provide an effective and efficient workforce by aligning our institutional arrangements to our overall strategy in order to deliver quality services.	16. Aligning institutional arrangements in order to provide an effective and efficient support service in order to deliver on organisational objectives.
KPA 8: Financial Sustainability	To ensure the financial sustainability of the municipality in order to fulfil the statutory requirements.	17. Enable and improve financial viability and management through well-structured budget processes, financial systems, and MFMA compliance (i.e. promote good budget and fiscal management; unqualified audits).

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives (National KPA's):

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide city planning services; and
 - Maintaining the infrastructure of the municipality.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the municipality;
 - Ensuring planning processes function in accordance with set timeframes; and
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Effective implementation of the Indigent Policy;
 - Working with the provincial department of health to provide primary health care services;
 - Extending waste removal services and ensuring effective city cleansing;
 - Ensuring all waste water treatment works are operating optimally;
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments by effective enforcement of building and health regulations;
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities:

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimising effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website.

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services; and
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan.

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives:

- Review of the organizational structure to optimize the use of personnel.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five national strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the newly developed IDP, including:

- Strengthening the analysis and strategic planning processes of the municipality;
- Initiating zonally planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better co-ordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2012/2013 MTREF has therefore been directly informed by the IDP revision process and tables 29 - 31 provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 29 MBRR Table SA4 –
Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective / R thousand	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
KPA 1: Municipal Financial Viability and Management	To manage and account for all revenue raised and expenditure incurred in the municipality	31 121	37 064	44 501	57 437	55 200	55 200	62 332	65 608	71 416
	To manage the accounting, impairment and disposal of assets	395	—	10	—	—	—	—	—	—
	To manage the financial accounting activities of the Group Life Beneficiaries Funds	174	136	124	—	—	—	—	—	—
	None	—	—	—	—	—	—	—	—	—
KPA 2: Basic Service Delivery	To account for conditional grants capital expenditure spending	14 460	9 179	8 719	69 579	36 527	36 527	34 560	21 147	27 385
	To construct new roads infrastructure in the municipal area	—	—	—	—	—	—	—	—	—
	To effectively, efficiently and economically manage the town planning functions in the municipal area	445	443	682	465	598	598	620	683	751
	To eradicate bucket systems backlogs	747	—	—	—	—	—	—	—	—
	To eradicate housing backlogs in the municipal area	3 556	31 990	33 739	—	2 293	2 293	—	—	—
	To maintain and manage attractive parks in the municipal area	143	130	145	150	224	224	246	271	298
	To maintain and manage the municipality's cemeteries	121	131	158	156	155	155	185	203	223
	To maintain and manage the municipality's electrical installations at PPE	—	—	—	—	—	—	—	—	—
	To maintain and manage the municipality's electricity distribution networks	157	185	174	140	137	137	117	128	141
	To maintain and manage the municipality's parks	4	7	10	8	14	14	14	16	18
	To maintain and manage the municipality's sport facilities	55	60	59	64	51	51	55	61	67
	To maintain and manage the municipality's swimming pools	46	85	129	101	109	109	119	131	145
	To maintain and manage the sewerage distribution networks of the municipality	40	37	28	20	60	60	66	73	80
	To maintain and manage the streets and storm water infrastructure of the municipal area	161	158	182	185	689	689	209	230	253
	To maintain and manage the water distribution networks of the municipality	1	6	2	5	1	1	1	1	1
	To maintain the municipality's vehicle fleet and mechanical equipment	3	—	1	1	3	3	3	3	3
	To manage and maintain Council's commonage areas	2	7	21	—	28	28	—	—	—
	To manage and maintain the municipality's commonage areas	101	95	143	109	191	191	158	174	192
	To manage bulk electricity purchases and electricity sales	83 966	107 632	141 424	173 198	174 264	174 264	193 485	214 768	238 393
	To manage the civil engineering services of the municipality	—	—	—	—	—	—	1 189	1 255	1 327
	To manage the electricity service delivery process in the municipal area	362	410	449	469	536	536	590	649	714
	To manage the housing delivery process of the municipality	929	2 155	3 267	1 300	1 600	1 600	1 600	1 600	1 600
	To manage the planning activities of basic water services	344	57	—	—	—	—	—	—	—
	To manage the sewerage purification plants of the municipality	15 762	17 220	18 593	19 722	21 115	21 115	23 665	23 840	25 508
	To manage the water production service of the municipality	30 526	34 312	35 927	40 390	40 571	40 571	43 412	46 454	49 708
	To promote road safety in terms of legislation in the municipal area	6 200	5 686	6 647	7 277	6 957	6 957	7 381	8 120	8 932
	To provide a building maintenance service to Council's buildings	32	39	62	57	—	—	—	—	—
	To provide a fire brigade service in the municipal area	63	94	70	55	34	34	40	44	48
	To provide a security service for the municipality's assets	7	—	—	—	—	—	—	—	—
	To provide and maintain basic services	—	—	800	—	—	—	—	—	—
	To provide basic human development opportunities to the local community	330	1 094	604	573	603	603	981	1 064	1 150
	To provide sustainable recreational programme to the local community	3	7	27	7	—	—	—	—	—
	To render a primary health care service to the community	968	1 004	1 104	1 180	1 180	1 180	1 209	1 275	1 332
	To render a refuse removal service to the community	11 127	12 552	14 390	15 739	17 037	17 037	22 659	24 245	25 942
	To render a sanitation service to the community	1 189	1 787	1 746	1 792	2 333	2 333	2 496	2 671	2 858
	To render an environmental health service to the community	5 136	122	15	16	7	7	7	8	9
KPA 3: Good Governance and Public Participation	None	57	13	—	—	—	—	—	—	—
	To determine and monitor good governance practices required by legislation for municipal councillors	26 957	34 974	38 105	40 859	41 944	41 944	48 654	52 082	55 751
	To effectively, efficiently and economically manage the Directorate Corporate Services	—	—	2	—	—	—	—	—	—
	To manage and maintain Council's offices and buildings	183	266	257	249	290	290	313	345	379
	To manage and to ensure that all resources of the municipality is used effectively, efficiently and economically in terms of the strategic objectives of the IDP	—	—	—	—	3	3	—	—	—
	To provide an administrative support service to departments and Council	309	70	39	50	0	0	0	0	0
	To render an internal audit service to the departments and Council	—	—	0	—	—	—	—	—	—
	None	—	80	—	—	—	—	—	—	—
KPA 4: Municipal Institutional Development and Transformation	To manage the spending of conditional grants on financial HR development and systems	1 065	751	860	1 450	2 135	2 135	1 500	1 750	1 750
	To manage the spending of conditional grants on the improvement of municipal systems and programmes	1 509	735	512	790	1 193	1 193	800	900	950
	To provide a human resources support service to departments and Council	349	384	322	451	767	767	813	862	914
	None	—	—	—	—	—	—	—	—	—
KPA 5: Local Economic Development	To manage Council's nature reserve	87	91	96	101	101	101	107	117	129
	To promote local economic development in the municipal area	60	207	33	3	154	154	—	—	—
	To promote local economic development in the municipal area	59	44	—	50	—	—	—	—	—
	To promote tourism in the municipal area	4 399	5 047	3 640	5 007	4 758	4 758	5 222	5 743	6 317
Allocations to other priorities		—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		243 709	306 547	357 817	439 207	413 858	413 858	454 813	476 519	524 683

**Table 30 MBRR Table SA5 –
Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective / R thousand	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
RPA 1: Municipal Financial Viability and Management	To manage and account for all revenue and expenditure incurred in the municipality	28 197	29 232	28 971	29 066	32 252	32 252	34 743	37 548	40 458
	To manage the accounting, impairment and disposal of assets	—	—	—	—	—	—	—	—	—
	To manage the financial accounting activities of the Group	174	136	124	—	—	—	—	—	—
	Beneficiaries Funds	—	—	—	—	—	—	—	—	—
RPA 2: Basic Service Delivery	None	2	1	1	1	1	1	1	2	2
	To construct new roads infrastructure in the municipal area	—	—	—	—	0	0	—	—	—
	To effectively, efficiently and economically manage the town planning functions in the municipal area	2 068	2 316	3 261	3 893	5 079	5 079	3 955	4 142	4 428
	To eradicate bucket systems backlogs	657	—	—	—	—	—	—	—	—
	To eradicate housing backlogs in the municipal area	3 556	31 990	33 790	—	2 495	2 495	—	—	—
	To maintain and manage attractive parks in the municipal area	677	453	263	297	396	396	373	485	525
	To maintain and manage the municipality's cemeteries	832	812	1 543	2 381	3 595	3 595	2 775	2 987	3 202
	To maintain and manage the municipality's electrical installations at RPE	2 920	2 947	3 129	3 885	3 953	3 953	4 020	4 321	4 628
	To maintain and manage the municipality's electricity distribution networks	3 796	4 478	4 566	5 001	4 972	4 972	5 295	5 723	6 122
	To maintain and manage the municipality's parks	8 041	8 872	10 581	11 496	11 592	11 592	14 365	15 411	16 458
	To maintain and manage the municipality's sport facilities	2 069	2 250	2 806	2 903	2 827	2 827	3 169	3 408	3 653
	To maintain and manage the municipality's swimming pools	1 578	1 814	1 949	2 062	2 065	2 065	2 209	2 375	2 543
	To maintain and manage the sewerage distribution networks of the municipality	2 200	2 361	3 601	3 660	3 236	3 236	4 310	3 696	4 487
	To maintain and manage the streets and storm water infrastructure of the municipal area	10 360	10 189	12 373	13 007	12 711	12 711	14 541	15 694	15 642
	To maintain and manage the water distribution networks of the municipality	4 842	5 882	8 575	8 194	6 609	6 609	6 666	6 189	7 186
	To maintain the municipality's vehicle fleet and mechanical equipment	1 514	(680)	7 306	3 158	(2 299)	(2 299)	5 698	7 586	9 247
	To manage and maintain Council's commonage areas	2	7	21	15	28	28	—	—	—
	To manage and maintain the municipality's commonage areas	38	35	56	75	74	74	137	162	171
	To manage bulk electricity purchases and electricity sales	45 852	61 010	79 207	100 300	100 086	100 086	115 576	131 155	148 835
	To manage conditional grant spending on sport and recreation activities	60	—	—	—	—	—	—	—	—
	To manage the civil engineering services of the municipality	597	589	1 434	1 148	1 633	1 633	786	948	1 047
	To manage the electricity service delivery process in the municipal area	12 061	14 895	19 835	21 331	16 381	16 381	19 018	20 706	22 258
	To manage the housing delivery process of the municipality	1 564	1 838	3 228	2 722	4 085	4 085	3 196	3 272	3 496
	To manage the planning activities of basic water services	344	57	—	—	—	—	—	—	—
	To manage the sewerage purification plants of the municipality	10 245	13 170	12 937	13 893	14 290	14 290	16 141	17 216	18 331
	To manage the water production service of the municipality	17 422	21 599	22 511	24 422	22 891	22 891	26 300	28 414	30 455
	To promote job creation through basic service delivery	—	—	—	—	97	97	—	—	—
	To promote road safety in terms of legislation in the municipal area	6 932	7 521	8 499	9 411	9 238	9 238	9 951	10 805	11 596
	To provide a building maintenance service to Council's buildings	872	945	761	991	929	929	994	1 065	1 137
	To provide a disaster management service in the municipal area	297	404	729	915	547	547	536	574	611
	To provide a fire brigade service in the municipal area	4 316	5 262	6 892	7 985	7 370	7 370	8 584	9 260	9 931
	To provide a security service for the municipality's assets	5 758	7 406	10 661	12 626	11 735	11 735	12 954	13 912	14 863
	To provide an IT service to departments and Council	707	972	2 368	2 463	2 229	2 229	2 361	2 561	2 763
	To provide and maintain basic services	—	—	1 566	—	—	—	—	—	—
	To provide basic human development opportunities to the local community	2 005	2 157	2 847	3 103	3 532	3 532	3 392	3 647	3 903
	To provide sustainable recreational programmes to the local community	575	745	1 137	1 191	1 355	1 355	1 293	1 382	1 470
	To render a primary health care service to the community	1 162	1 201	1 327	1 468	1 434	1 434	1 615	1 736	1 858
	To render a refuse removal service to the community	16 631	20 908	20 957	22 510	22 404	22 404	22 547	23 964	25 408
	To render a sanitation service to the community	1 547	2 181	2 701	3 288	3 018	3 018	4 319	4 623	4 931
	To render an environmental health service to the community	1 843	2 309	2 840	3 073	3 308	3 308	3 619	3 883	4 147
RPA 3: Good Governance and Public Participation	None	83	53	25	24	—	—	—	—	—
	To determine and monitor good governance practices required by legislation for municipal councillors	9 217	5 779	7 078	6 163	9 126	9 126	6 828	7 907	8 433
	To effectively, efficiently and economically manage the Directorate Infrastructure Development Services	1 460	714	1 736	3 098	1 949	1 949	3 139	3 465	3 688
	To effectively, efficiently and economically manage the performance of the vehicle fleet	—	—	—	733	634	634	827	914	985
	To effectively, efficiently and economically manage the Directorate Corporate Services	1 933	675	1 047	1 012	936	936	937	1 016	1 093
	To effectively, efficiently and economically manage the Directorate Developmental Services	1 050	1 103	1 197	1 268	1 516	1 516	1 475	1 595	1 702
	To manage and maintain Council's offices and buildings	630	846	947	1 000	1 214	1 214	1 598	1 759	1 909
	To manage and ensure that all resources of the municipality is used effectively, efficiently and economically in terms of the strategic objectives of the IDP	6 794	101 233	151 080	8 056	21 002	21 002	15 506	11 938	12 919
	To manage strategic operations and public relations in the municipality	276	518	4 777	3 766	5 824	5 824	4 617	4 943	5 256
	To manage the strategic planning and performance management processes of the municipality	—	79	986	1 801	1 438	1 438	2 409	3 262	3 609
	To provide an administrative support service to departments and Council	4 652	5 797	5 885	6 222	5 746	5 746	4 408	4 763	5 210
	To render an effective legal service and advice to departments and Council	16	41	256	1 285	1 538	1 538	1 558	1 709	1 873
	To render an internal audit service to the departments and Council	348	439	672	656	1 205	1 205	1 209	1 361	1 487
RPA 4: Municipal Institutional Development and Transformation	None	—	80	—	—	—	—	—	—	—
	To manage the spending of conditional grants on financial HR development and systems	1 060	751	860	1 450	2 453	2 453	1 500	1 750	1 750
	To manage the spending of conditional grants on the improvement of municipal systems and programmes	1 505	735	512	790	1 223	1 223	800	900	950
	To provide a human resources support service to departments and Council	2 602	1 326	4 021	4 573	4 818	4 818	6 161	6 405	6 848
RPA 5: Local Economic Development	To promote local economic development in the municipal area	59	207	33	30	367	367	—	—	—
	To promote local economic development in the municipal area	710	904	1 052	1 339	1 054	1 054	1 136	1 245	1 339
	To promote tourism in the municipal area	6 159	6 945	8 452	8 990	9 217	9 217	9 149	9 885	10 615
Allocations to other priorities		—	—	—	—	—	—	—	—	—
Total Expenditure		242 867	396 490	515 968	374 189	387 407	387 407	418 697	453 667	495 452

**Table 31 MBRR Table SA6 –
Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective / R thousand	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
KPA 1: Municipal Financial Viability and Management KPA 2: Basic Service Delivery	To manage and account for all revenue raised and expenditure incurred in the municipality	14	129	142	–	87	87	–	–	–
	To effectively, efficiently and economically manage the town planning functions in the municipal area	–	20	–	–	98	98	–	–	–
	To maintain and manage attractive parks in the municipal area	–	–	5	–	30	30	–	–	–
	To maintain and manage the municipality's cemeteries	–	223	48	1 000	4 191	4 191	–	–	–
	To maintain and manage the municipality's electrical installations at PPE	0	14	–	–	–	–	–	–	–
	To maintain and manage the municipality's electricity distribution networks	–	37	–	–	–	–	–	–	–
	To maintain and manage the municipality's parks	11	198	41	–	49	49	–	–	–
	To maintain and manage the municipality's sport facilities	172	1 139	271	–	4 134	4 134	–	3 764	4 076
	To maintain and manage the municipality's swimming pools	–	99	–	65	–	–	–	–	–
	To maintain and manage the sewerage distribution networks of the municipality	–	1 896	–	–	1 339	1 339	–	–	5 002
	To maintain and manage the streets and storm water infrastructure of the municipal area	4 426	1 010	6 794	36 550	29 145	29 145	17 892	8 303	–
	To maintain and manage the water distribution networks of the municipality	5 119	823	727	7 825	7 244	7 244	15 214	600	600
	To maintain the municipality's vehicle fleet and mechanical equipment	279	9 266	1 385	12 975	26 645	26 645	5 700	10 912	–
	To manage the civil engineering services of the municipality	4	12	–	–	–	–	–	–	–
	To manage the electricity service delivery process in the municipal area	12 048	5 056	11 359	25 706	22 318	22 318	23 026	10 255	12 524
	To manage the housing delivery process of the municipality	3	–	26	–	–	–	–	–	–
	To manage the sewerage purification plants of the municipality	–	95	1 951	24 900	904	904	8 809	7 984	13 744
	To manage the water production service of the municipality	3 019	3 911	1 327	25 230	4 450	4 450	5 926	–	–
	To promote road safety in terms of legislation in the municipal area	73	123	366	160	355	355	–	–	–
	To provide a building maintenance service to Council's buildings	–	–	–	–	–	–	–	–	–
	To provide a disaster management service in the municipal area	–	–	–	–	–	–	–	–	–
	To provide a fire brigade service in the municipal area	20	6	1 908	–	18	18	–	–	–
	To provide a security service for the municipality's assets	22	515	77	–	50	50	–	–	–
	To provide an IT service to departments and Council	65	499	382	–	674	674	–	–	–
	To provide basic human development opportunities to the local community	57	26	216	–	267	267	–	–	–
	To provide sustainable recreational programme to the local community	–	24	–	–	–	–	–	–	–
	To render a primary health care service to the community	–	82	40	–	–	–	–	–	–
	To render a refuse removal service to the community	304	459	37	766	566	566	–	2 457	–
	To render a sanitation service to the community	–	–	–	–	–	–	–	400	–
	To render an environmental health service to the community	13	–	44	100	25	25	–	–	–
	None	–	–	–	–	–	–	–	–	–
KPA 3: Good Governance and Public Participation	To determine and monitor good governance practices required by legislation for municipal councillors	163	485	16	1 400	1 684	1 684	2 800	2 800	2 800
	To effectively, efficiently and economically manage the Directorate Infrastructure Development Services	–	–	–	–	8	8	–	–	–
	To effectively, efficiently and economically manage the performance of the vehicle fleet	–	–	–	–	30	30	–	–	–
	To effectively, efficiently and economically manage the Directorate Corporate Services	79	3	–	–	31	31	–	–	–
	To effectively, efficiently and economically manage the Directorate Developmental Services	–	–	56	–	8	8	–	–	–
	To manage and maintain Council's offices and buildings	322	314	1 034	–	14	14	–	–	–
	To manage and to ensure that all resources of the municipality is used effectively, efficiently and economically in terms of the strategic objectives of the IDP	19	5	23	2 600	294	294	1 150	1 545	1 940
	To manage strategic operations and public relations in the municipality	20	–	56	–	20	20	–	–	–
	To manage the strategic planning and performance management processes of the municipality	101	431	1 372	–	20	20	–	–	–
	To provide an administrative support service to departments and Council	17	294	3 454	15 000	1 544	1 544	–	–	17 568
	To render an effective legal service and advice to departments and Council	9	16	–	–	4	4	–	–	–
	To render an internal audit service to the departments and Council	1	60	2	–	1	1	–	–	–
	To provide a human resources support service to departments and Council	–	91	39	–	–	–	–	–	–
	To promote local economic development in the municipal area	71	174	42	–	24	24	510	–	–
	To promote tourism in the municipal area	28	643	75	–	67	67	–	–	–
Allocations to other priorities										
Total Capital Expenditure		26 479	28 179	33 313	154 277	106 336	106 336	81 028	49 021	58 254

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

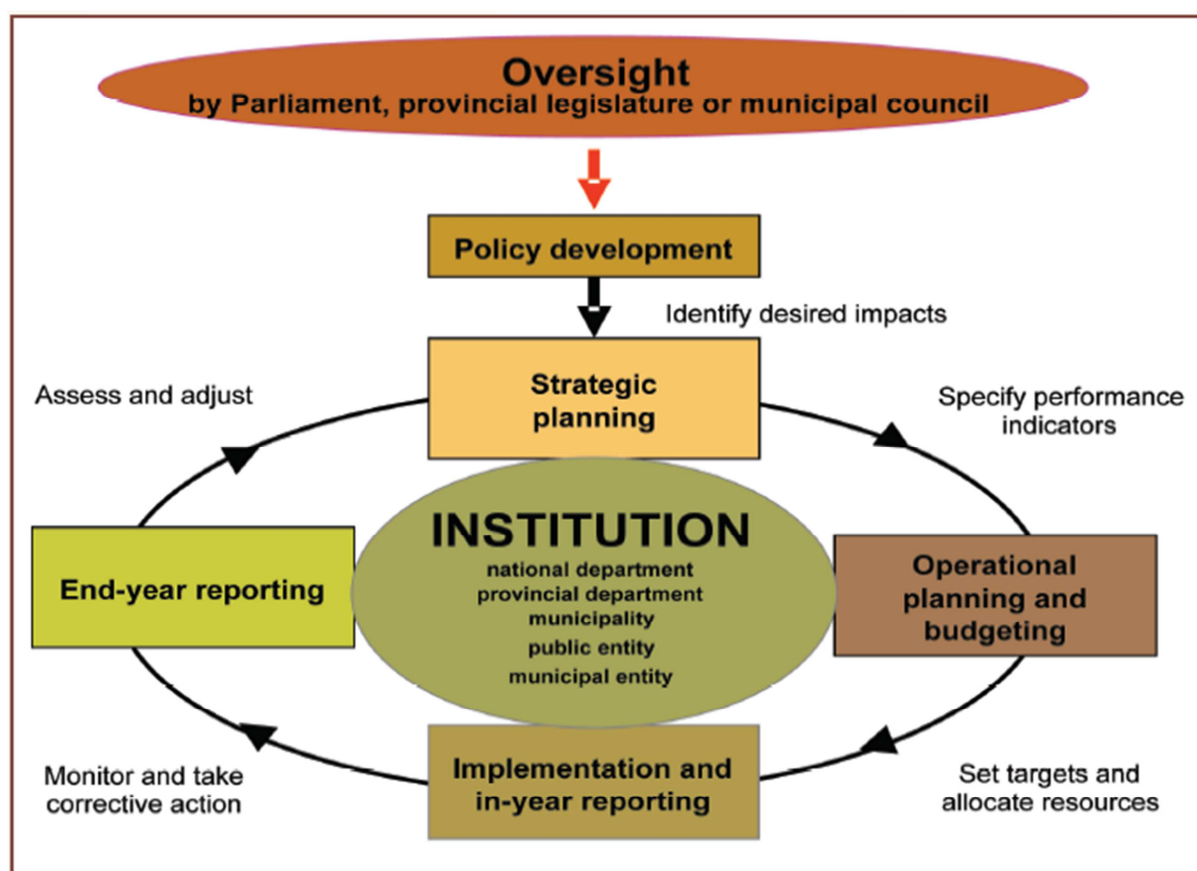


Figure 5 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

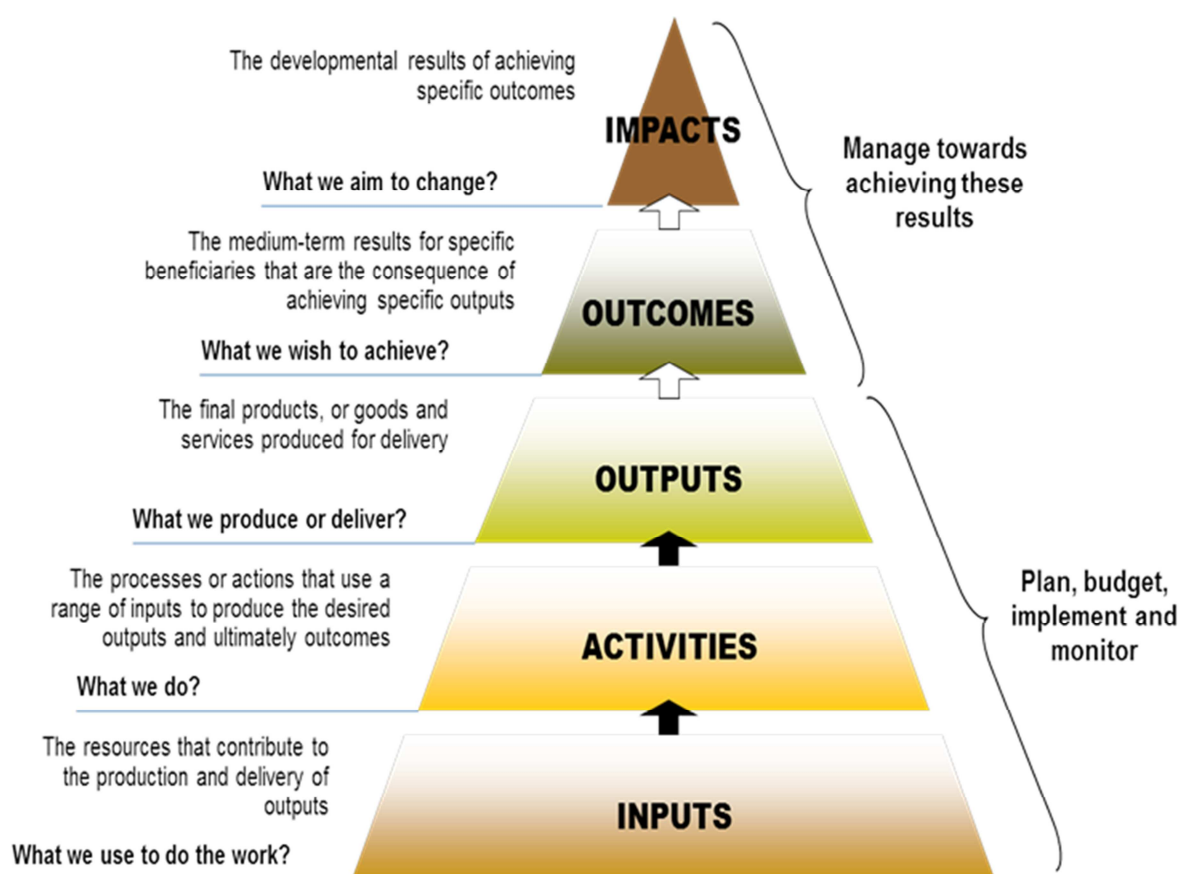


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 32 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Municipal Manager										
Poverty & Unemployment										
0031: Local Economic Development										
To create conducive environment for growth in the local economy	Number of jobs	1 584	534	365	450	450	450	550	600	600
1001: Vegetable Project										
Percentage of operating expenditure spent	Percentage	98.0%	69.0%	95.0%	95.0%	95.0%	95%	95.0%	95.0%	95.0%
Housing/Town Planning and Land Use Management										
0010: Uptington Housing Rentals										
Percentage of operating budget expenditure spent	Percentage	100.0%	100.0%	95.0%	95.0%	95.0%	95%	95.0%	95.0%	95.0%
1015: Housing Projects										
Build BNG houses	Number	0	223	710	1 000	1 000	1 000	1 200	1 500	1 500
Road & Transport Infrastructure										
0034: Fleet Management										
Monitoring and reporting (quarterly) on economic, effective and efficient fleet management	Monthly Report	Not	Not	Not	12 Reports	12 Reports	12 Reports	12 Reports	12 Reports	12 Reports
Lack of Sport, Park & Recreation Facilities & General Appearance of Town										
0051: Island Holiday Resort										
Occupancy rate of chalets and caravan sites	Number	130 219	56 687	56 800	57 000	57 000	57 000	57 200	57 300	57 300
0054: Gordonia Holiday Resort										
Percentage of operating budget expenditure spent	Percentage	100.0%	744.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Communication Gaps and Communication Facilities										
0017: Intergovernmental Relations										
Percentage of operating budget expenditure spent	Percentage	100.0%	32.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Other Focus Areas										
0002: Municipal Council										
Percentage of capital budget spent	Percentage	100.0%	78.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0005: Museum										
Percentage of capital budget spent	Percentage	0.0%	0.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0006: Tourism and Marketing										
Percentage of operating budget revenue raised/collected	Percentage	27.0%	109.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
0008: Strategic Operations and Public Relations										
Percentage of capital budget spent	Percentage	87.0%	0.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0011: Municipal Manager										
Measure performance of Municipal Manager as per SDBIP	Quarterly Report	Fully Effective	Above Expectation	Above Expectation	Fully Effective	Fully Effective	Fully Effective	Fully Effective	Fully Effective	Fully Effective
0013: Youth Council										
Percentage of operating budget expenditure spent	Percentage	100.0%	100.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0019: IDP & PMS										
	Narrative	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation	IDP approved in line with legislation
Compile / review IDP on an annual basis										
0032: Internal Audit										
	Audit Reports / AC Minutes	Audit Plan fully executed / 2 AC meetings	Audit Plan fully executed / 4 AC meetings	Audit Plan fully executed / 4 AC meetings	Audit Plan fully executed / 4 AC Meetings	Audit Plan fully executed / 4 AC Meetings	Audit Plan fully executed / 4 AC Meetings	Audit Plan fully executed / 4 AC Meetings	Audit Plan fully executed / 4 AC Meetings	Audit Plan fully executed / 4 AC Meetings
Monitoring of the activities in the Internal Audit Plan and Audit Committee meetings										
1009: Activism Against Women & Children										
Percentage of operating budget revenue raised / collected	Percentage	100.0%	100.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
1020: Youth in Human Settlements										
Percentage of operating budget revenue raised / collected	Percentage	0.0%	100.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Corporate Services										
Other Focus Areas										
0001: Administration										
Keeping of archive and records compliant with legislation	Narrative	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts	File plan in line with National Archives and Records Service Acts
0004: Property Administration										
Keeping of hall rental registers	Narrative	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use	100% Evidence in terms of bookings / requests for use
0009: Human Resources										
Reviewed and approved Employment Equity Plan as per legislation	Narrative	Plan in place	Plan in place	Plan in place	Review and approve new plan	Review and approve new plan	Review and approve new plan	Review and approve new plan	Review and approve new plan	Review and approve new plan
0033: Information Technology										
Maintain information technology equipment, networks and software	Quarterly Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
0039: Legal Services										
Report on legal supporting services rendered to municipal departments	Monthly Report	Function not in place	Function not in place	9 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
Financial Services										
Other Focus Areas										
0007: Directorate Financial Services										
Render monthly accounts for municipal services delivered	Number	+/- 18 000	+/- 18 500	+/- 19 000	+/- 20 000	+/- 20 000	+/- 20 000	+/- 20 500	+/- 21 000	+/- 21 000
1002: Finance Management Grant										
Building the capacity of financial or other interns	Number	3	3	5	5	5	5	5	5	5
1013: Municipal Systems Improvement Grant										
	Narrative	Qualified with other matters	Unqualified with other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters	Unqualified with no other matters
Improvement of policies, procedures and systems to address all compliance and other matters in the AG report										
Development Services										
Road & Transport Infrastructure										
0035: Parking Area Development										
Percentage of capital budget spent	Percentage	51.0%	0.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Sewerage & Sanitation										
0026: Sanitation Services										
Rendering of sanitation services as per service delivery programme	Days service not rendered	0	1 -due to strike	1	1	1	1	1	1	1

0028: Vacuum Tank Services	Days service not rendered	0	1 - due to strike	1	1	1	1	1	1	1
0027: Refuse Removal Services	Percentage and number of households with access to basic refuse removal services	98%	98%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Lack of Sport, Park & Recreation Facilities & General Appearance of Town										
0050: Parks	Quarterly Report	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
Lack of Sufficient Health Facilities and Other Services to all Communities										
0003: Libraries	Number and percentage of library material issued	118 076	103 341	104 000	104 000	104 000	104 000	104 000	104 000	104 000
1004: Masincedane Library Project	Percentage of capital budget spent	79%	37%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0020: Traffic Services	Number / Percentage	9 718 / 32%	14 489 / 35%	11 384 / 34%	14 901 / 39%	14 901 / 39%	14 901 / 39%	15 795 / 41%	16 743 / 43%	16 743 / 43%
0021: Fire Brigade Services	Percentage of call-outs responded to within the required response times	81% / 113	70% / 113	80%	80.0%	80.0%	80.0%	80.0%	80.0%	80.0%
0023: Disaster Management	Reviewed DMP	DMP Reviewed	DMP Reviewed	DMP Reviewed	MP Reviewed	MP Reviewed	MP Reviewed	MP Reviewed	MP Reviewed	DMP Reviewed
0025: Environmental Health Services	As per national legislation scope of practise required Environmental Health to perform water monitoring, food control, waste management and general hygiene monitoring, health surveillance of premises, control monitoring, environmental pollution, monitoring the disposal of the dead, road to indicators	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
0029: Primary Health Care Services	Percentage of capital budget spent	0%	91%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Other Focus Areas										
0024: Security Services	Monthly Report / Updated occurrence register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register	12 Reports / Updated Register
0036: Director Development Services	Percentage of capital budget spent	0%	0%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Technical Services										
Housing / Town Planning and Land Use Management										
0018: Housing and Development	Identify and manage the development of housing backlog	Number	8 823	8 600	7 890	6 890	6 890	6 890	5 690	4 890
1010: Housing Accreditation	Percentage of capital budget spent	100%	0%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
1016: Construction of Toilets	Percentage of operating budget expenditure spent	88%	0%	0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
0030: Town Planning and Building Control	Town Planning applications processed within prescribed timeframes	Percentage	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
0043: Coronerage	Percentage of operating budget expenditure spent	83%	88%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0053: Sipsakop	Percentage of operating budget revenue raised / collected	105%	102%	99%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
1017: Commonage Fund (Emerging Farmers)	Percentage of operating budget expenditure spent	100%	100%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Road & Transport Infrastructure										
0042: Workshop	Service vehicles and equipment within given timeframes	Percentage	N/A	72%	90%	90.0%	90.0%	90.0%	90.0%	90.0%
0046: Transport	Percentage of capital budget spent	0%	86%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0041: Streets and Storm Water Drainage	Construction / Resealing of streets	Kilometres	N/A	N/A	22.85 km	22.85 km	22.85 km	22.85 km	ITBC	ITBC
0044: Main Roads	Percentage of capital budget spent	0%	0%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
1005: Extended Public Works Programme	Number of job opportunities created	Number	N/A	N/A	298	359	359	359	436	480
Sewerage & Sanitation										
0045: Sewerage Purification Plant	Purify sewerage compliant with green drop status	Narrative / Percentage	N/A	N/A	50%	60.0%	60.0%	60.0%	70.0%	80.0%
0048: Sewerage Distribution Networks	Maintenance of distribution networks	Percentage of complaints attended to	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
Electricity										
0059: Electricity Administration	Number and percentage of households with access to basic electricity services	Number / Percentage	17 455 / 99%	17 842 / 99%	97%	97.0%	97.0%	97.0%	97.0%	97.0%
0060: Electricity Purchases / Sales	Percentage of operating budget expenditure spent	98%	99%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0061: Electricity Maintenance	Maintenance of street lights electricity maintenance programme	Quarterly Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
0062: Electricity Distribution	Maintenance of electrical distribution networks as per maintenance programme	Quarterly Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
Water										
0066: Water Production	Purify raw water compliant with blue drop status	Narrative / Percentage	N/A	38%	50%	60.0%	60.0%	60.0%	70.0%	80.0%
0067: Water Distribution	Maintenance of water distribution networks	Percentage of requests (leaks, etc) attended to	100%	100%	100%	100.0%	100.0%	100.0%	100.0%	100.0%
1018: Water Service Projects	Percentage of operating budget expenditure spent	100%	11%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Lack of Sufficient Health Facilities and Other Services to all Communities										
0049: Recreation Facilities	Percentage of capital budget spent	0%	121%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0052: Swimming Pools	Maintenance of swimming pools as per maintenance programme	Quarterly Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
0055: Sport Grounds	Maintenance of sport grounds as per maintenance programme	Quarterly Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
0056: Reitz Park	Maintenance of Reitz Park as per maintenance programme	Quarterly Reports	N/A	N/A	Responsible in terms of Council Resolution - 4 Reports	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
1014: Grant: Department Sport, Arts and Culture	Percentage of operating budget revenue raised / collected	Quarterly Reports	100%	0%	0%	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
Lack of Sufficient Health Facilities and Other Services to all Communities										
0057: Cemeteries	Keeping of cemetery registers as per legislation	Updated Register / Percentage	100% Plots requested versus plots issued	100% Plots requested versus plots issued	100% Plots requested versus plots issued	100% Plots requested versus plots issued	100% Plots requested versus plots issued	100% Plots requested versus plots issued	100% Plots requested versus plots issued	100% Plots requested versus plots issued
Other Focus Areas										
0037: Director Technical Services	Percentage of capital budget spent	0%	1%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0040: Civil Engineering Services	Percentage of capital budget spent	100%	98%	95%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
0047: Building Control Unit	Percentage of operating budget revenue raised / collected	100%	108%	99%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%

The following table sets out the municipalities main performance objectives and benchmarks for the 2012/2013 MTREF.

Table 33 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Borrowing Management</u>										
Credit Rating	Interest & Principal Paid	3.2%	2.4%	2.5%	4.3%	3.0%	3.0%	5.0%	5.5%	5.6%
Capital Charges to Operating Expenditure	/Operating Expenditure									
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.0%	4.1%	4.8%	5.1%	3.7%	3.7%	5.9%	6.4%	6.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	320.1%	24.8%	79.4%	91.7%	92.4%	92.4%	91.4%	84.2%	84.5%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	54.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.5	1.1	0.8	0.7	0.5	0.5	0.6	0.6	0.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	1.1	0.5	0.3	0.3	0.3	0.4	0.4	0.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.5	0.2	0.3	0.2	0.2	0.3	0.2	0.3
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		97.2%	94.8%	96.0%	101.8%	102.5%	102.5%	98.0%	98.4%
Current Debtors Collection Rate (Cash receipts % of Outstanding Debtors to Revenue)			97.2%	94.8%	96.0%	101.8%	102.5%	102.5%	98.0%	98.4%
Longstanding Debtors Recovered	Total Outstanding Debtors to Annual Revenue Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	9.3%	8.2%	9.2%	4.5%	5.9%	5.9%	6.2%	6.2%	6.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	96.0%	96.0%	98.0%	99.0%	99.0%	99.0%	99.0%	100.0%	100.0%
Creditors to Cash and Investments		61.4%	120.1%	429.6%	147.0%	129.2%	129.2%	121.3%	106.9%	86.4%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	4.5%	7.1%	6.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source			26.1%	15.0%	15.0%	15.0%	10.0%	10.0%	10.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	42.0%	36.1%	40.1%	40.0%	41.2%	41.2%	40.5%	39.1%	38.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.0%	37.8%	41.6%	41.8%	43.0%	43.0%	42.2%	40.8%	40.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.5%	2.8%	3.0%	3.0%	2.9%	2.9%	2.8%	2.8%	2.9%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	8.6%	39.5%	42.7%	8.0%	3.4%	3.4%	6.5%	6.7%	6.6%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	27.7	28.0	22.6	44.5	44.5	44.5	23.3	22.1	24.2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	11.8%	11.3%	12.6%	5.6%	7.4%	7.4%	7.6%	7.6%	7.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	0.9	0.2	0.5	0.5	0.5	0.6	0.5	0.5

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, //Khara Hais Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the municipality's debt portfolio is

dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2012/2013 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily increased from 2.4% in 2009/2010 to 3.0% in 2011/2012. This increase can be attributed to the raising of loans to fund portions of the capital programme. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 5.0% in 2012/2013 and will increase to 5.6% at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the municipality has reached its prudential borrowing limits.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over the MTREF is over 80% which substantiates the above mentioned statement that the municipality has reached its prudential borrowing limits.

The municipality's debt profile provides some interesting insights on the municipality's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

The municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs. This is reflected in the municipality's debt service profile, which predicts large debt service costs between 2012 and 2015. Debt service costs are expected to peak in 2015 due to the redemption of the last few term loans held by the municipality.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2012/2013 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. In 2008/2009 the gearing ratio peaked at 54.1%. This was primarily a result of the increased

borrowing levels and decreasing funds and reserves. However, the gearing ratio decreased to 0% in the 2009/2010 financial year. The reason for this was that all cash-backed reserves for funding capital expenditure were depleted. It stays at 0% until 2014/2015. The medium term strategy is to steadily increase the gearing ratio to a level that does not exceed 50% as a prudential limit, hence, the municipality will have to find ways and means to get rid of unfunded mandates and to service land for resale purposes to build up cash back reserves for capital expenditure again. Also should investment in basic services infrastructure in formal and informal areas for breaking new ground housing purposes with the municipality's own reserves be recouped from national and provincial housing funding programmes. The municipality cannot carry on borrowing funds from external sources.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the MTREF the current ratio is 0.5 in the 2012/2013 financial year and 0.6 and 0.7 for the two outer years of the MTREF. Going forward it will be necessary to improve these levels to the benchmark limit.
- *The liquidity ratio* is a measure of the ability of the municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2010/2011 financial year the ratio was 0.2 and as part of the financial planning strategy it has to increase to 1. However, it remains at 0.2 until 2014/2015. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to

streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

The City has managed to ensure that creditors are settled within the legislated 30 days of receiving invoices. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100% compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.1.6 Other Indicators

- The electricity distribution losses have slightly increased from 6.5% in the 2010/2011 financial year to 7.5% over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been significantly reduced from 26.1% in 2010/2011 to 15.0% in 2011/2012. This has been achieved with the introduction of a water leakage report and action centre. It is planned to further reduce distribution losses from 15.0% in 2011/12 to 10% by 2014/2015.
- Employee costs as a percentage of operating revenue increases and decreases depending on factors like the implementation of housing programmes over the past and future financial years. Another factor that affects this percentage the high increase in bulk purchases which directly increase revenue levels. National Treasury has indicated in MFMA Circular No 59 that there is no benchmark to be measured against due to all these factors influencing it.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality's strategy to ensure the management of its asset base.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2012/2013 financial year 10,577 registered indigents have been provided for in the budget with this figure expecting to increase by 2014/2015. In terms of the municipality's indigent policy registered households are entitled to 10kl "free" water, 50 kWh "free" electricity, "free" sanitation and "free" waste removal services once a week, as well as a 100% discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 43.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, and etcetera) are taken into account in the table noted above.

2.3.3 Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. The municipality buys its raw water from DWA and extracts it directly from the Orange River to purify it before distributing it to the local community.

The Department of Water Affairs conducts an annual performance rating of potable and waste water treatment works; presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Our purified drinking water is of exceptional quality free of e-coli although there are some management issues that have to be attended to before the municipality can obtain Blue Drop status in 2012/2013.

None of our waste water treatment works were awarded Green Drop status in 2011/2012, indicating that these plants will require renewals / upgrading to meet the minimum Green Drop certification standards. This has been prioritised as part of the 2012/2013 medium term capital budget.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Customer Care, Credit Control, Debt Collection and Indigent Support Policy as approved by Council in May 2011 have been reviewed. Since our payment collection rate varied between 97.6% and 99.4% over the last five financial years, there was no need to change the Policy.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2012/2013 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 102.5% on current billings. The first nine months of the 2011/2012 financial year yielded a collection rate of 102.5% due to government departments honouring their commitments. The municipality expects government departments to honour their past and future commitments during 2012/2013 to avoid their services being discontinued. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the municipality's payment incentive scheme through its Writing-Off of Irrecoverable Debt Policy seems to be working and it is taking the customers out of their spiral debt.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme, where possible, was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the City continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy, to allow for legislation changes, was reviewed and adopted by Council in December 2011.

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was reviewed and approved by Council in May 2011.

2.4.6 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy were amended by Council in May 2011. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The municipality's Tariff Policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

2.4.8 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy (Financial Plan included as Annexure A to the IDP) has directly informed the compilation of the 2012/2013 MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November as part of the IDP and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2011/2012 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

The *Budget Review 2012* notes that the South African economy has demonstrated resilience despite unsettled international economic conditions. Global developments are likely to hold back higher growth over the short-term, resulting in gross domestic product (GDP) growth being expected to slow from 3.1% in 2011 to 2.7% in 2012. However, the domestic outlook remains positive over the medium term. As the world economy strengthens, GDP growth will accelerate to 3.6% in 2013 and 4.2% in 2014, led by robust household consumption, and stronger public- and private-sector investment.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2012/2013 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 40.6% of total operating expenditure in the 2012/2012 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement for the MTREF SALGA needs to conclude with the municipal workers unions in the SALGBC are still in process but it will have an effect on our budget and must be noted.

2.5.3 Credit rating outlook

Table 34 Credit rating outlook

Security class	Currency	Rating	Annual rating 2011/2012	Previous Rating
Short term	Rand	N/A	N/A	N/A
Long-term	Rand	N/A	N/A	N/A
Outlook	Rand	N/A	N/A	N/A

The municipality has not been rated by a rating agency.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality engages in a number of financing arrangements to minimise its interest rate costs and risk. However, for simplicity the 2012/2013 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates for amortisation-style loans requiring both regular principal and interest payments. As part of the compilation of the 2012/2013 MTREF the potential of smoothing out the debt profile over the long term will be investigated.

2.5.5 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long-term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (99%) of annual billings. Cash flow is assumed to be 99% of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.6 Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.7 Salary increases

The collective agreement regarding salaries / wages for the MTREF must still be finalised. Over the MTREF the municipality has provided for a cost-of-living increase of 5% (2012/2013), 5.3% (2013/2014) and 4.9% (2014/2015).

2.5.8 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to

align IDP's, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives. Unfortunately, some of these services come at a cost for the municipality since not all activities is 100% funded through funds that follow functions (unfunded mandates).

2.5.9 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 95% on the capital programme for the 2012/2013 MTREF of which performance has been factored into the cash flow budget. The municipality expects to recover 99% of its budgeted revenue.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 35 Breakdown of the operating revenue over the medium-term

Description / R thousand	2012/13 Medium Term Revenue & Expenditure Framework					
	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Property rates	48,654	11.6%	52,081	11.4%	55,750	11.2%
Service charges	284,996	67.8%	312,707	68.7%	343,211	69.0%
Interest earned - external investments	1,512	0.4%	1,588	0.3%	1,667	0.3%
Transfers recognised - operational	66,551	15.8%	68,690	15.1%	74,426	15.0%
Other own revenue	18,540	4.4%	20,306	4.5%	22,243	4.5%
Total Operating Revenue (excluding capital transfers and contributions)	420,253	100.0%	455,372	100.0%	497,298	100.0%
Total Operating Expenditure	418,697		453,667		495,452	
Surplus/(Deficit)	1,556		1,706		1,846	

The following graph is a breakdown of the operational revenue per main category for the 2012/2013 financial year.

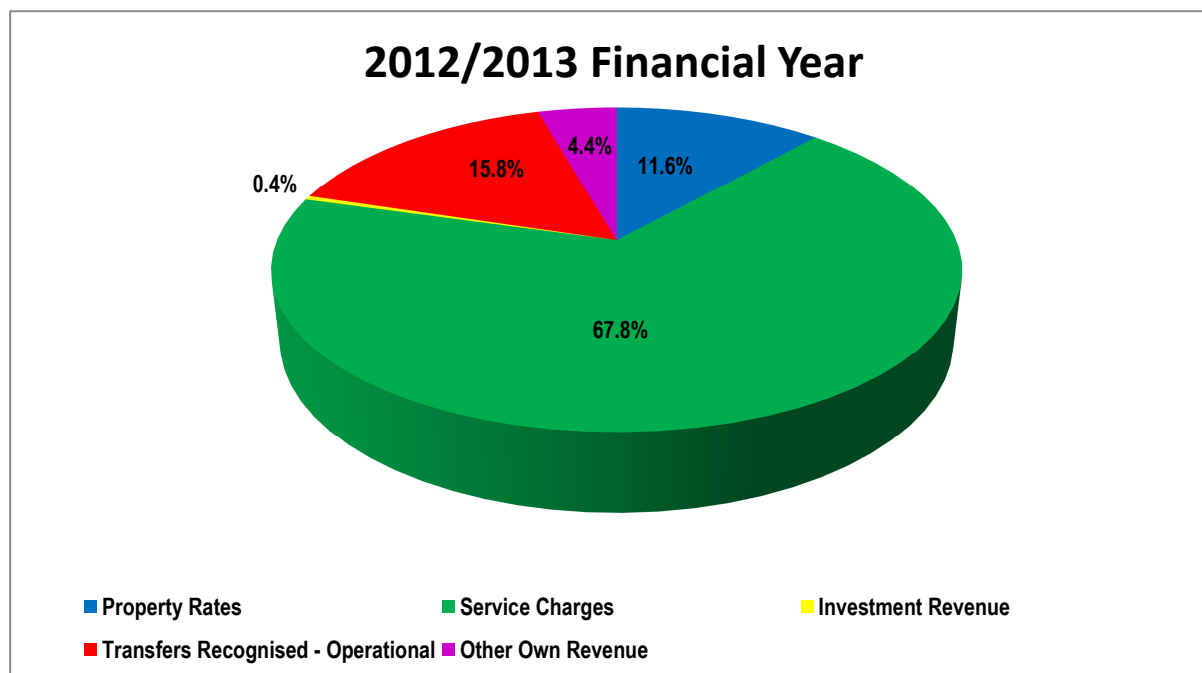


Figure 7 Breakdown of operating revenue over the 2012/2013 MTREF

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus of R 1.6 million, R 1.7 million and R 1.8 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc.) completes the revenue base.

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 99% annual collection rate for consumer revenue;
- National Treasury guidelines;

- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing / calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2012/2013 MTREF on the different revenue categories are:

Table 36 Proposed tariff increases over the medium-term

Revenue Category	2012/13 Proposed Tariff Increase	2013/14 Proposed Tariff Increase	2014/15 Proposed Tariff Increase	2012/13 Additional Revenue for Each 1% Tariff Increase	2012/13 Additional Revenue Owing to % Tariff Increases	2012/13 Total Budgeted Revenue
	%	%	%	R'000	R'000	R'000
Property Rates	8.00%	7.00%	7.00%	451	3,604	48,654
Electricity	11.03%	11.03%	11.03%	1,748	19,281	194,082
Water	7.00%	7.00%	7.00%	406	2,840	43,412
Sanitation	7.00%	7.00%	7.00%	232	1,625	24,842
Refuse Removal	33.00%	7.00%	7.00%	170	5,622	22,659
Total				3,007	32,972	333,650

Revenue to be generated from property rates is R 48.6 million in the 2012/2013 financial year and increases to R 55.7 million by 2014/2015 which represents 11.6% of the operating revenue base of the municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections, although significant progress was made in dealing with these objections in the 2010/2011 and 2011/2012 financial years. It is anticipated that the process will be concluded by the end of 2012. As the levying of property rates is considered strategic revenue source a further supplementary valuation process will be undertaken in the 3rd quarter of each financial year. The outcome of this

initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R 285.0 million for the 2012/2013 financial year and increasing to R 343.2 million by 2014/2015. For the 2012/2013 financial year services charges amount to 67.8% of the total revenue base and grows by a projected 0.6% per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Operational grants and subsidies amount to R 66.6 million, R 68.7 million and R 74.4 million for each of the respective financial years of the MTREF; or, 15.8%, 15.1% and 15.0% of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 3.2% and 8.4% for the two outer years.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R 1.5 million, R 1.6 million and R 1.7 million for the respective three financial years of the 2012/2013 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 37 MBRR SA15 – Detail Investment Information

Investment type / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Parent municipality</u>									
Deposits - Bank	26 164	26 241	12 057	16 242	16 360	16 360	22 738	20 833	24 283
Municipality sub-total	26 164	26 241	12 057	16 242	16 360	16 360	22 738	20 833	24 283
<u>Entities</u>									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	26 164	26 241	12 057	16 242	16 360	16 360	22 738	20 833	24 283

Table 38 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Type of Investment	Monetary value	Interest to be realised
Name of institution & investment ID		Rand thousand	
Parent municipality			
Nedbank Ltd	Call Deposit	22 738	1 512
Municipality sub-total		22 738	1 512
Entities			
Entities sub-total		-	-
TOTAL INVESTMENTS AND INTEREST		22 738	1 512

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2012/13 medium-term capital programme:

Table 39 Sources of capital revenue over the MTREF

Description / R thousand	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
Funded by:								
National Government	29 909	28.1%	34 050	42.0%	21 147	43.1%	27 385	47.0%
Provincial Government	2 782	2.6%	510	0.6%	-	0.0%	-	0.0%
District Municipality	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other transfers and grants	4 104	3.9%	-	0.0%	-	0.0%	-	0.0%
Transfers recognised - capital	36 794	34.6%	34 560	42.7%	21 147	43.1%	27 385	47.0%
Public contributions & donations	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Borrowing	64 249	60.4%	42 468	52.4%	23 473	47.9%	26 069	44.8%
Internally generated funds	5 293	5.0%	4 000	4.9%	4 400	9.0%	4 800	8.2%
Total Capital Funding	106 336	100.0%	81 028	100.0%	49 021	100.0%	58 254	100.0%

Capital grants and receipts equates to 42.7% of the total funding source which represents R 34.6 million for the 2012/2013 financial year and steadily decrease to R 27.4 million or 47.0% by 2014/2015. Growth relating to grant receipts is -6.1%, -38.8% and 29.5% over the medium-term.

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R 42.5 million, R 23.5 million and R 26.0 million to be raised for each of the respective financial years totalling 52.4%, 47.9% and 44.8% of the total funding of the capital budget for each of the respective financial years of the MTREF. As

explained earlier, the borrowing capacity of the municipality has essentially reached its limits and going forward borrowing limits will remain constant.

Table 40 is graphically represented as follows for the 2012/2013 financial year.

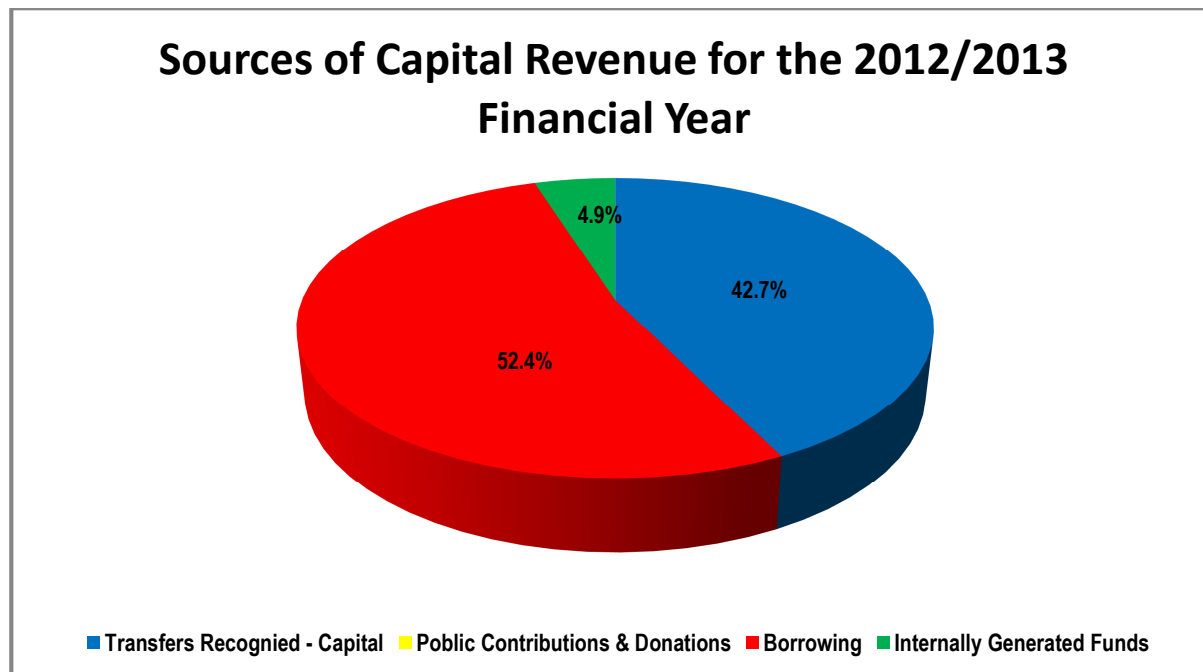


Figure 8 Sources of capital revenue for the 2012/13 financial year

The following table is a detailed analysis of the municipality's borrowing liability.

Table 40 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Parent municipality</u>									
Long-Term Loans (annuity/reducing balance)	57 826	58 730	70 207	144 624	120 175	120 175	153 643	165 616	178 185
Municipality sub-total	57 826	58 730	70 207	144 624	120 175	120 175	153 643	165 616	178 185
<u>Entities</u>									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	57 826	58 730	70 207	144 624	120 175	120 175	153 643	165 616	178 185

The following graph illustrates the growth in borrowing for the 2008/209 to 2014/2015 period.

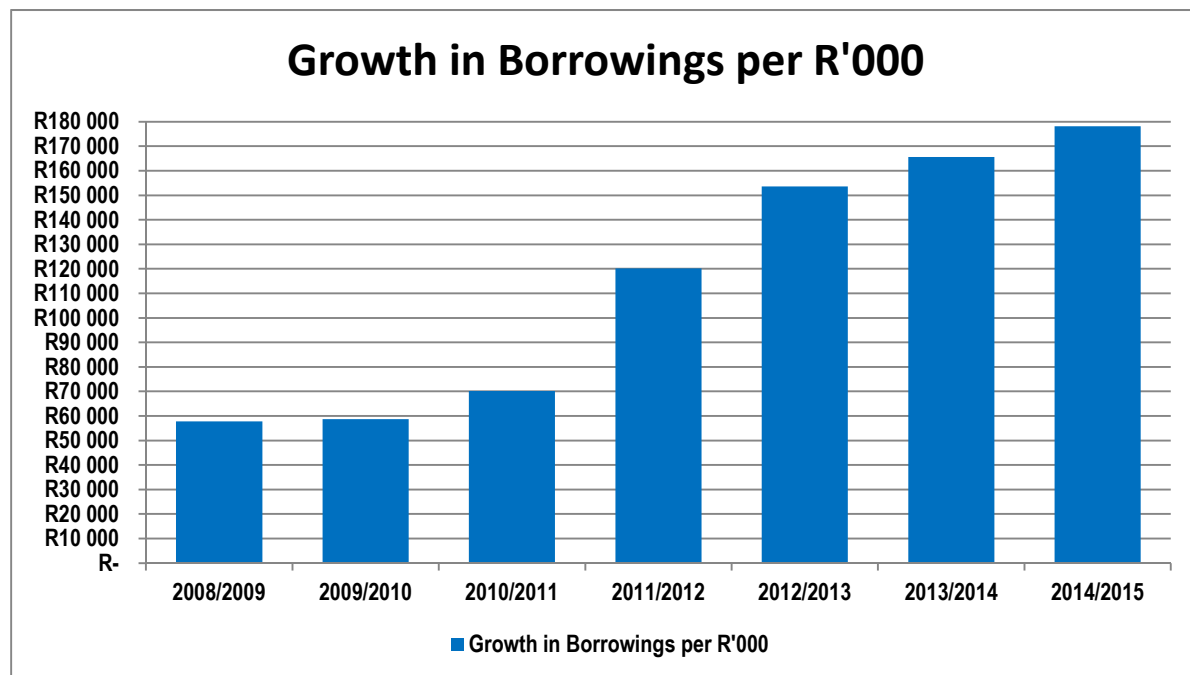


Figure 9 Growth in outstanding borrowing (long-term liabilities)

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below.

Internally generated funds consist of R 4 million in 2012/2013, R 4.4 million in 2013/2014 and R 4.8 million in 2014/2015. The percentage funding peaks in 2013/2014 at 9.0%. In 2014/2015 this funding source reduces back to levels of 8.2%.

Table 41 below provides more detail of the capital transfers and grant receipts.

Table 41 MBRR Table SA 18 - Capital transfers and grants receipts

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Transfers and Grants									
National Government:	10 575	16 624	13 927	50 730	45 592	45 592	27 127	24 421	27 385
Municipal Infrastructure Grant (MIG)	9 326	15 916	11 923	43 401	38 263	38 263	19 232	20 913	22 122
Integrated National Electrification Program	1 249	708	310	1 829	1 829	1 829	7 018	3 509	5 263
Extended Public Works Programme	–	–	1 694	5 500	5 500	5 500	877	–	–
Provincial Government:	2 489	3 019	324	–	367	367	–	–	–
Housing	2 489	3 019	–	–	–	–	–	–	–
Infrastructure Development	–	–	–	–	50	50	–	–	–
Library Services	–	–	324	–	217	217	–	–	–
Department of Water Affairs	–	–	–	–	100	100	–	–	–
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	–	–	818	–	4 104	4 104	–	–	–
Lotto	–	–	–	–	4 104	4 104	–	–	–
Other	–	–	818	–	–	–	–	–	–
Total Capital Transfers and Grants	13 064	19 643	15 069	50 730	50 063	50 063	27 127	24 421	27 385

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	184 274	212 905	255 714	314 933	322 632	322 632	345 187	378 889	415 582
Government - operating	36 557	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Government - capital	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Interest	3 829	4 240	2 979	3 700	3 151	3 151	4 415	4 693	4 990
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(208 219)	(264 468)	(335 484)	(362 124)	(368 379)	(368 379)	(387 227)	(423 567)	(458 830)
Finance charges	(6 070)	(6 598)	(7 594)	(7 836)	(7 926)	(7 926)	(12 740)	(14 269)	(15 473)
Transfers and Grants	(529)	(798)	(855)	(575)	(621)	(621)	(466)	(641)	(705)
NET CASH FROM/(USED) OPERATING ACTIVITIES	24 301	24 782	5 212	76 473	47 367	47 367	50 280	34 942	47 374
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	757	71	48	50	0	0	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	2	41	(8)	-	26	26	-	-	-
Decrease (increase) in non-current investments	-	(5 705)	(58)	1 763	1 763	1 763	(1 000)	(1 000)	-
Payments									
Capital assets	(25 544)	(28 179)	(33 313)	(154 277)	(106 336)	(106 336)	(81 028)	(49 021)	(58 254)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(24 785)	(33 773)	(33 331)	(152 464)	(104 547)	(104 547)	(82 028)	(50 021)	(58 254)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Increase in Trust Funds	702	-	528	-	1 988	1 988	(300)	200	200
Borrowing long term/refinancing	38 471	4 704	19 519	77 698	64 249	64 249	42 468	23 473	26 069
Increase (decrease) in consumer deposits	262	722	1 168	2 960	2 213	2 213	2 958	(1 000)	561
Payments									
Repayment of trust funds	-	(90)	-	1 988	-	-	-	-	-
Repayment of borrowing	(1 699)	(2 713)	(5 140)	(8 133)	(3 836)	(3 836)	(8 000)	(10 500)	(12 500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	37 736	2 623	16 075	74 513	64 613	64 613	37 126	12 173	14 330
NET INCREASE/ (DECREASE) IN CASH HELD	37 252	(6 368)	(12 045)	(1 478)	7 434	7 434	5 378	(2 905)	3 450
Cash/cash equivalents at the year begin:	(13 908)	23 344	16 977	13 726	4 932	4 932	12 366	17 744	14 839
Cash/cash equivalents at the year end:	23 344	16 977	4 932	12 248	12 366	12 366	17 744	14 839	18 289

The above table shows that cash and cash equivalents of the municipality were largely depleted between the 2008/2009 and 2010/2011 financial year moving from a positive cash balance of R 23.3 million to a positive cash balance of R 4.9 million. With the 2011/2012

adjustments budget various cost efficiencies and savings had to be realised to ensure the municipality could meet its operational expenditure commitments. In addition the municipality undertook an extensive debt collection process over the last five years to boost cash levels. These initiatives and interventions have translated into a positive cash position for the municipality and it is projected that cash and cash equivalents on hand will increase to R 12.4 million by the financial year end. For the 2012/2013 MTREF the budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R 17.7 million by 2012/2013 and steadily increasing to R 18.3 million by 2014/2015.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular No 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was / is available. A shortfall (cash-backed commitments > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

From Table 43 below it can be seen that the cash and investments available total R 22.7 million in the 2012/2013 financial year and progressively increase to R 24.3 million by 2014/2015, including the projected cash and cash equivalents as determined in the cash flow forecast.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash and investments available									
Cash/cash equivalents at the year end	23 344	16 977	4 932	12 248	12 366	12 366	17 744	14 839	18 289
Other current investments > 90 days	—	5 705	5 763	4 000	4 000	4 000	5 000	6 000	6 000
Non current assets - Investments	—	—	—	—	—	—	—	—	—
Cash and investments available:	23 344	22 682	10 695	16 248	16 366	16 366	22 744	20 839	24 289
Application of cash and investments									
Unspent conditional transfers	8 538	11 064	18 887	0	30 840	30 840	23 407	27 191	27 191
Unspent borrowing	—	—	—	—	—	—	—	—	—
Statutory requirements	—	—	—	—	—	—	—	—	—
Other working capital requirements	(6 426)	(2 640)	(9 532)	1 119	(6 896)	(6 896)	(3 843)	(12 069)	(13 839)
Other provisions	—	—	—	—	—	—	—	—	—
Long term investments committed	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	2 574	2 484	3 012	5 000	5 000	5 000	4 700	4 900	5 100
Total Application of cash and investments:	4 686	10 909	12 367	6 119	28 944	28 944	24 264	20 022	18 453
Surplus(shortfall)	18 659	11 773	(1 671)	10 129	(12 578)	(12 578)	(1 520)	816	5 836

The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2011/2012 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. The municipality has received the necessary roll-over approval from the National Treasury as the funding appropriation relating to the unspent conditional grants could be motivated as part of existing projects. For the 2011/2012 financial year no provision has been made for this liability as the total unspent conditional grant liability of R 30.8 million has been factored into the 2012/2013 capital programme of the municipality.
- There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch

between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital, as was experienced by the municipality in the past resulting in cash flow challenges. For the purpose of the cash backed reserves and accumulated surplus reconciliation a provision equivalent to one month's operational expenditure has been provided for. It needs to be noted that although this can be considered prudent, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the City to meet its creditor obligations.

- Other provisions (i.e. employee benefits) have been provided for in the operating budget but have not been provided for in Table 43.
- The municipality has no long term investments that consist primarily of the sinking funds for the repayment of future borrowings.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds as well as unspent conditional grants are not fully cash-backed. Government property rates and services charges outstanding debt of over R 10 million and for unfunded housing projects of over R 3 million must therefore be collected. The level of cash-backing is directly informed by the municipality's cash backing policy.

It can be concluded that the municipality has a deficit against the cash backed and accumulated surpluses reconciliation. The level of non-cash backing progressively deteriorated over the period 2008/2009 to 2011/2012 escalating from a positive R 18.7 million to a negative R 12.6 million in 2011/2012. This was mainly due to an operating deficit of over R 13 million in 2010/2011. The municipality has essentially depleted all cash reserves which is a serious concern and should be considered a strategic risk to the financial stability of the municipality. As part of the planning strategy, this deficit needs to be aggressively managed downwards and as part of the medium term planning objectives. It is aimed that by 2014/2015 this deficit would have been significantly reduced translating into a surplus of R 5.8 million. It needs to be noted that for all practical purposes the 2011/2012 MTREF was unfunded when considering the funding requirements of section 18 and 19 of the MFMA. The 2012/2013 MTREF has been informed by ensuring the financial plan meets the minimum requirements of the MFMA. However, from a practical perspective it would not be possible to eradicate this deficit in one financial year hence the phased approach over the

MTREF. Nevertheless from a pure cash flow perspective (cash out flow versus cash inflow) the budget is funded and is therefore credible. The challenge for the municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

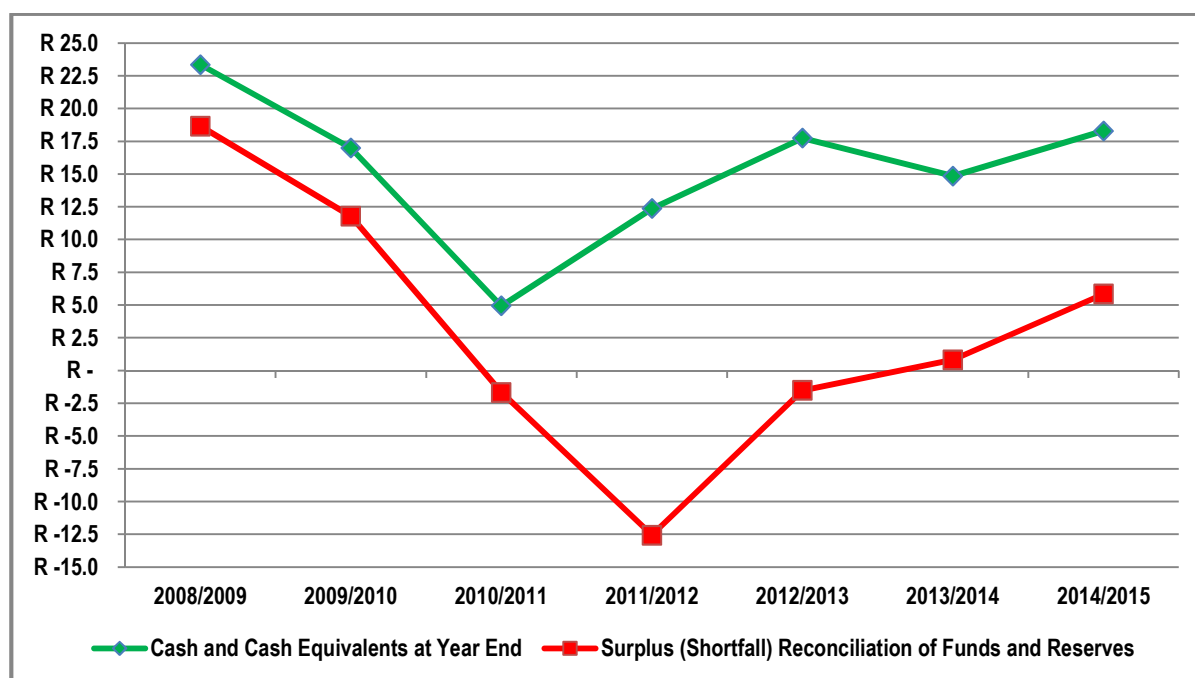


Figure 10 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 44 MBRR SA10 – Funding compliance measurement

Description	MFMA section	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	23 344	16 977	4 932	12 248	12 366	12 366	17 744	14 839	18 289
Cash + investments at the yr end less applications - R'000	18(1)b	18 659	11 773	(1 671)	10 129	(12 578)	(12 578)	(1 520)	816	5 836
Cash year end/monthly employee/supplier payments	18(1)b	1.5	0.9	0.2	0.5	0.5	0.5	0.6	0.5	0.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	10 899	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	13.3%	14.0%	10.6%	12.7%	12.7%	6.1%	3.3%	3.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	97.2%	94.8%	96.0%	101.8%	102.5%	102.5%	98.0%	98.4%	98.7%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.1%	1.4%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Capital payments % of capital expenditure	18(1)c;19	96.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	320.1%	24.8%	79.4%	91.7%	92.4%	92.4%	91.4%	84.2%	84.5%
Grants % of Govt. legislated/gazetted allocations	18(1)a							108.9%	97.4%	100.9%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	14.0%	31.9%	(48.2%)	34.7%	0.0%	15.9%	9.7%	5.8%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(89.1%)	(40.8%)	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	5.0%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	6.0%	11.7%	11.7%	5.9%	15.5%	0.5%

2.6.5.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2012/2013 MTREF shows R 17.7 million, R 14.8 million and R 18.3 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves / surpluses are contained in Table 25, on page 39. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been falling significantly for the period 2008/2009 to 2010/2011, moving from 1.5 to 0.2 with the adopted 2011/2012 MTREF. As part of the 2012/13 MTREF the municipalities improving cash position causes the ratio to move upwards to 0.5 and then stabilize on 0.5 for the outer years. As indicated above the municipality aims to achieve at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus / deficit are achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2012/2013 MTREF the indicative outcome is a surplus of R 36.1 million, R 22.9 million and R 29.2 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any

assumption about real growth such as new property development, services consumption growth etcetera.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 4.9% to 5.9%). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 6.1%, 3.3% and 3.4% for the respective financial year of the 2012/2013 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 7% to 8% (with the exception of refuse removal tariff increase of 33%), with the increase in electricity at 11.03% on average it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 98.0%, 98.4% and 98.7% for each of the respective financial years. Given that the assumed collection rate was based on a 98% performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will have to be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 0.2% over the MTREF. Considering the debt incentive

scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 0% timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days and have not defaulted over the last five years.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 91.4%, 84.2% and 84.5% of own funded capital. Further details relating to the borrowing strategy of the City can be found on page 78.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100% could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are two measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the municipality's policy of settling debtor's accounts within 45 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and / or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table 60 MBRR SA34C on page 104.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal / rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 103.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	30 187	34 526	42 011	50 046	49 449	49 449	56 141	60 528	65 659
Local Government Equitable Share	26 552	31 859	40 532	46 121	46 121	46 121	52 652	56 623	61 632
Finance Management	1 065	770	860	1 795	2 135	2 135	1 500	1 750	1 750
Municipal Systems Improvement	1 509	795	512	955	1 193	1 193	800	900	950
Health Subsidy	1 061	1 102	108	1 175	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	-	-	-	-	1 189	1 255	1 327
Provincial Government:	6 028	34 551	39 403	8 750	6 133	6 133	5 123	3 881	4 019
Housing	2 495	31 206	37 017	6 884	3 893	3 893	1 600	1 600	1 600
Health subsidy	3 150	2 014	1 104	1 311	1 180	1 180	1 209	1 275	1 332
Libraries	321	1 163	431	312	95	95	929	1 006	1 087
Capacity Building	-	-	-	-	773	773	1 385	-	-
Infrastructure Development	-	-	-	50	-	-	-	-	-
Promotion and Outreach Programme	-	-	-	50	50	50	-	-	-
Library Current Awareness Services	-	-	-	50	50	50	-	-	-
Capacity Building	-	-	-	93	93	93	-	-	-
COGHSTA Subsidy	-	-	800	-	-	-	-	-	-
Community Development Worker Operational	62	168	51	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	813	1 245	320	-	6 134	6 134	5 286	4 281	4 748
SETA Training Subsidy	318	384	320	-	767	767	813	862	914
Vat Circular 48	-	-	-	-	5 138	5 138	4 473	3 419	3 834
Other	494	861	-	-	228	228	-	-	-
Total operating expenditure of Transfers and Grants:	37 027	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Capital expenditure of Transfers and Grants									
National Government:	11 971	6 161	7 820	69 579	32 323	32 323	34 050	21 147	27 385
Municipal Infrastructure Grant (MIG)	10 227	5 783	5 782	62 250	28 080	28 080	25 102	17 638	22 122
Integrated National Electrification Programme Grant	1 579	378	310	1 829	1 829	1 829	7 018	3 509	5 263
Extended Public Works Programme	165	-	1 728	5 500	2 414	2 414	1 930	-	-
Provincial Government:	2 489	3 019	364	-	367	367	510	-	-
Housing	2 489	3 019	40	-	-	-	-	-	-
Department of Water Affairs	-	-	-	-	100	100	-	-	-
Transport Grant	-	-	-	-	-	-	510	-	-
Infrastructure Development	-	-	-	-	50	50	-	-	-
Library Services	-	-	324	-	217	217	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	535	-	4 104	4 104	-	-	-
Lotto Grant	-	-	-	-	4 104	4 104	-	-	-
Other	-	-	535	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	51 487	79 501	90 452	128 375	98 510	98 510	101 111	89 837	101 811

Table 46 MBRR SA20 - Reconciliation between of transfers, grant receipts and unspent funds

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	1 658	319	510	1 684	2 084	2 084	996	996	996
Current year receipts	28 848	34 716	43 586	48 361	48 361	48 361	56 141	60 528	65 659
Conditions met - transferred to revenue	30 187	34 526	42 011	50 046	49 449	49 449	56 141	60 528	65 659
Conditions still to be met - transferred to liabilities	319	510	2 084	(0)	996	996	996	996	996
Provincial Government:									
Balance unspent at beginning of the year	5 174	4 457	(3 010)	0	(2 849)	(2 849)	(2 849)	(2 849)	(2 849)
Current year receipts	5 311	27 084	39 564	8 750	6 133	6 133	5 123	3 881	4 019
Conditions met - transferred to revenue	6 028	34 551	39 403	8 750	6 133	6 133	5 123	3 881	4 019
Conditions still to be met - transferred to liabilities	4 457	(3 010)	(2 849)	0	(2 849)	(2 849)	(2 849)	(2 849)	(2 849)
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	1 398	1 296	636	0	656	656	428	428	428
Current year receipts	711	585	340	-	5 906	5 906	5 286	4 281	4 748
Conditions met - transferred to revenue	813	1 245	320	-	6 134	6 134	5 286	4 281	4 748
Conditions still to be met - transferred to liabilities	1 296	636	656	0	428	428	428	428	428
Total operating transfers and grants revenue	37 027	70 322	81 733	58 796	61 716	61 716	66 551	68 690	74 426
Total operating transfers and grants - CTBM	6 072	(1 865)	(109)	(0)	(1 425)	(1 425)	(1 425)	(1 425)	(1 425)
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	2 140	744	11 207	18 849	17 313	17 313	30 582	23 660	26 934
Current year receipts	10 575	16 624	13 927	50 730	45 592	45 592	27 127	24 421	27 385
Conditions met - transferred to revenue	11 971	6 161	7 820	69 579	32 323	32 323	34 050	21 147	27 385
Conditions still to be met - transferred to liabilities	744	11 207	17 313	0	30 582	30 582	23 660	26 934	26 934
Provincial Government:									
Balance unspent at beginning of the year	1 722	1 722	1 722	(0)	1 682	1 682	1 682	1 682	1 682
Current year receipts	2 489	3 019	324	-	367	367	-	-	-
Conditions met - transferred to revenue	2 489	3 019	364	-	367	367	510	-	-
Conditions still to be met - transferred to liabilities	1 722	1 722	1 682	(0)	1 682	1 682	1 172	1 682	1 682
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	818	-	4 104	4 104	-	-	-
Conditions met - transferred to revenue	-	-	535	-	4 104	4 104	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	14 460	9 179	8 719	69 579	36 794	36 794	34 560	21 147	27 385
Total capital transfers and grants - CTBM	2 466	12 929	18 996	0	32 264	32 264	24 831	28 616	28 616
TOTAL TRANSFERS AND GRANTS REVENUE	51 487	79 501	90 452	128 375	98 510	98 510	101 111	89 837	101 811
TOTAL TRANSFERS AND GRANTS - CTBM	8 538	11 064	18 887	0	30 840	30 840	23 407	27 191	27 191

2.8 Councillor and employee benefits

Table 47 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Salary	4 332	3 871	4 224	5 195	5 233	5 233	7 303	7 733	8 143
Pension Contributions	213	258	246	365	696	696	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Travel, Accommodation and Other Allowances	-	592	588	597	597	597	-	-	-
Cell phone allowance	-	256	276	331	331	331	-	-	-
Housing benefits and allowances	-	-	-	-	-	-	-	-	-
Other benefits or allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	4 545	4 977	5 334	6 488	6 857	6 857	7 303	7 733	8 143
% increase		9.5%	7.2%	21.6%	5.7%	-	6.5%	5.9%	5.3%
Senior Managers of the Municipality									
Salary	1 960	2 347	3 228	3 536	3 536	3 536	6 730	7 066	7 419
Pension Contributions	80	112	347	485	485	485	-	-	-
Group Life Insurance Contributions	19	24	33	49	49	49	-	-	-
Medical Aid Contributions	31	36	69	75	75	75	-	-	-
Travel, Accommodation and Other Allowances	436	493	480	462	462	462	-	-	-
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing benefits and allowances	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	492	460	460	460	694	867	926
Other benefits or allowances	-	97	7	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	2 526	3 110	4 657	5 067	5 067	5 067	7 424	7 933	8 346
% increase		23.1%	49.7%	8.8%	-	-	46.5%	6.9%	5.2%
Other Municipal Staff									
Basic Salaries and Wages	54 555	66 552	86 488	95 826	102 151	102 151	111 073	114 143	122 122
Pension Contributions	8 876	10 291	14 224	16 499	15 962	15 962	18 727	20 113	21 481
Medical Aid Contributions	5 823	6 746	6 703	7 679	7 925	7 925	8 704	9 574	10 531
UIF Contribution	2 510	715	1 779	1 933	1 118	1 118	965	1 036	1 107
Contributions to WCA	-	-	-	-	1 295	1 295	1 072	1 151	1 229
Travel, Accommodation and Other Allowances	2 278	3 260	4 076	4 815	4 548	4 548	6 206	6 572	6 920
Bonus	3 989	4 610	6 280	7 694	7 381	7 381	8 726	9 372	10 009
Group Life Insurance	485	594	826	935	949	949	1 138	1 223	1 306
Housing benefits and allowances	630	449	356	313	336	336	368	387	406
Overtime	5 286	6 726	9 485	4 997	6 316	6 316	3 804	4 085	4 363
Performance Bonus	767	301	-	-	-	-	-	-	-
Bargaining Council Contribution	2	30	38	135	38	38	44	47	50
Post-Retirement benefit obligation	7 854	3 210	3 826	802	809	809	857	1 484	1 610
Training Levies	691	823	1 090	1 295	1 287	1 287	965	1 036	1 107
Other benefits or allowances	-	-	-	-	-	-	-	-	-
In-kind benefits	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	93 747	104 308	135 169	142 923	150 115	150 115	162 649	170 223	182 242
% increase		11.3%	29.6%	5.7%	5.0%	-	8.3%	4.7%	7.1%
Total Parent Municipality	100 818	112 395	145 160	154 477	162 039	162 039	177 376	185 890	198 731
		11.5%	29.2%	6.4%	4.9%	-	9.5%	4.8%	6.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	100 818	112 395	145 160	154 477	162 039	162 039	177 376	185 890	198 731
% increase		11.5%	29.2%	6.4%	4.9%	-	9.5%	4.8%	6.9%
TOTAL MANAGERS AND STAFF	96 273	107 418	139 826	147 989	155 182	155 182	170 073	178 157	190 587

**Table 48 MBRR SA23 - Salaries, allowances and benefits
(political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits / R per annum	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	561 373	-	-	-	-	561 373
Executive Mayor	696 705	-	-	-	-	696 705
Executive Committee	1 166 504	-	-	-	-	1 166 504
Total for all other councillors	4 878 006	-	-	-	-	4 878 006
Total Councillors	7 302 588	-	-	-	-	7 302 588
Senior Managers of the Municipality						
Municipal Manager (MM)	1 051 357	-	-	126 163	-	1 177 520
Chief Finance Officer	946 373	-	-	113 565	-	1 059 938
Director Corporate Services	946 373	-	-	113 565	-	1 059 938
Director Development Services	946 373	-	-	113 565	-	1 059 938
Director Electrical And Mechanical	946 373	-	-	113 565	-	1 059 938
Director Infrastructure Services	946 373	-	-	56 782	-	1 003 155
Director Planning and Project Management	946 373	-	-	56 782	-	1 003 155
Total Senior Managers of the Municipality	6 729 595	-	-	693 986	-	7 423 581
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	14 032 183	-	-	693 986	-	14 726 169

Table 49 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2010/11			Current Year 2011/12			Budget Year 2012/13		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	-	-	-	26	-	26	27	-	27
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
Municipal employees									
Municipal Manager and Senior Managers	-	-	-	5	-	5	5	-	5
Other Managers	-	-	-	19	18	1	19	18	1
Professionals	-	-	-	30	30	-	32	32	-
Finance	-	-	-	10	10	-	10	10	-
Spatial/town planning	-	-	-	2	2	-	2	2	-
Information Technology	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	1	1	-	2	2	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	5	5	-	6	6	-
Refuse	-	-	-	-	-	-	-	-	-
Other	-	-	-	12	12	-	12	12	-
Technicians									
Finance	-	-	-	1	1	-	1	1	-
Spatial/town planning	-	-	-	5	5	-	5	5	-
Information Technology	-	-	-	4	4	-	4	4	-
Roads	-	-	-	11	11	-	11	11	-
Electricity	-	-	-	11	11	-	11	11	-
Water	-	-	-	10	10	-	11	11	-
Sanitation	-	-	-	3	3	-	4	4	-
Refuse	-	-	-	3	3	-	3	3	-
Other	-	-	-	36	36	-	37	37	-
Clerks (Clerical and administrative)	-	-	-	130	124	6	130	130	-
Service and sales workers	-	-	-	100	83	17	120	120	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	-	-	-	69	68	1	69	69	-
Elementary Occupations	-	-	-	397	365	32	420	420	-
TOTAL PERSONNEL NUMBERS	-	-	-	860	772	88	909	876	33
% increase				-	-	-	5.7%	13.5%	(62.5%)
Total municipal employees headcount	-	-	-	834	777	57	882	876	33
Finance personnel headcount	-	-	-	59	54	5	59	59	-
Human Resources personnel headcount	-	-	-	15	15	-	16	16	-

2.9 Monthly targets for revenue, expenditure and cash flow

Table 50 MBRR SA25 - Budgeted monthly revenue and expenditure

Description / R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source															
Property rates	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	48 654	52 081	55 750
Service charges - electricity revenue	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	194 082	215 425	239 115
Service charges - water revenue	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	43 412	46 454	49 708
Service charges - sanitation revenue	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	24 842	26 583	28 446
Service charges - refuse revenue	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 659	24 245	25 942
Rental of facilities and equipment	516	516	516	516	516	516	516	516	516	516	516	516	6 192	6 812	7 493
Interest earned - external investments	126	126	126	126	126	126	126	126	126	126	126	126	1 512	1 588	1 667
Interest earned - outstanding debtors	242	242	242	242	242	242	242	242	242	242	242	242	2 902	3 106	3 323
Fines	134	134	134	134	134	134	134	134	134	134	134	134	1 611	1 772	1 949
Licences and permits	139	139	139	139	139	139	139	139	139	139	139	139	1 669	1 836	2 020
Agency services	285	285	285	285	285	285	285	285	285	285	285	285	3 415	3 756	4 132
Transfers recognised - operational	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	66 551	68 690	74 426
Other revenue	229	229	229	229	229	229	229	229	229	229	229	229	2 751	3 025	3 327
Total Revenue (excluding capital transfers and contributions)	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	420 253	455 372	497 298
Expenditure By Type															
Employee related costs	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	170 073	178 157	190 587
Remuneration of councillors	609	609	609	609	609	609	609	609	609	609	609	609	7 303	7 733	8 143
Debt impairment	45	45	45	45	45	45	45	45	45	45	45	45	540	600	650
Depreciation & asset impairment	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	1 202	14 428	16 159	17 452
Finance charges	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	12 740	14 269	15 411
Bulk purchases	9 742	9 742	9 742	9 742	9 742	9 742	9 742	9 742	9 742	9 742	9 742	9 742	116 901	132 512	150 221
Contracted services	874	874	874	874	874	874	874	874	874	874	874	874	10 485	9 376	9 875
Transfers and grants	39	39	39	39	39	39	39	39	39	39	39	39	466	641	705
Other expenditure	7 147	7 147	7 147	7 147	7 147	7 147	7 147	7 147	7 147	7 147	7 147	7 147	85 761	94 219	102 407
Total Expenditure	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	418 697	453 667	495 452
Surplus/(Deficit)	130	130	130	130	130	130	130	130	130	130	130	130	1 556	1 706	1 846
Transfers recognised - capital	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	34 560	21 147	27 385
Surplus/(Deficit) after capital transfers & contributions	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	36 116	22 853	29 231
Surplus/(Deficit)	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	36 116	22 853	29 231

Table 51 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description / R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote															
Vote 1 - MUNICIPAL MANAGER	4 490	4 490	4 490	4 490	4 490	4 490	4 490	4 490	4 490	4 490	4 490	4 490	53 876	57 825	62 068
Vote 2 - CORPORATE SERVICES	116	116	116	116	116	116	116	116	116	116	116	116	1 392	1 498	1 614
Vote 3 - FINANCIAL SERVICES	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	99 192	89 405	101 500
Vote 4 - DEVELOPMENT SERVICES	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	2 950	35 395	38 109	41 022
Vote 5 - TECHNICAL SERVICES	22 080	22 080	22 080	22 080	22 080	22 080	22 080	22 080	22 080	22 080	22 080	22 080	264 958	289 683	318 479
Total Revenue by Vote	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	454 813	476 519	524 683
Expenditure by Vote to be appropriated															
Vote 1 - MUNICIPAL MANAGER	3 474	3 474	3 474	3 474	3 474	3 474	3 474	3 474	3 474	3 474	3 474	3 474	41 684	41 456	44 644
Vote 2 - CORPORATE SERVICES	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	1 430	17 160	18 375	19 866
Vote 3 - FINANCIAL SERVICES	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	37 043	40 198	43 158
Vote 4 - DEVELOPMENT SERVICES	7 765	7 765	7 765	7 765	7 765	7 765	7 765	7 765	7 765	7 765	7 765	7 765	93 177	100 047	106 796
Vote 5 - TECHNICAL SERVICES	19 136	19 136	19 136	19 136	19 136	19 136	19 136	19 136	19 136	19 136	19 136	19 136	229 633	253 591	280 988
Total Expenditure by Vote	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	418 697	453 667	495 452
Surplus/(Deficit) before assoc.	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	36 116	22 853	29 231
Surplus/(Deficit)	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	36 116	22 853	29 231

Table 52 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description / R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard															
<i>Governance and administration</i>	12 428	12 428	12 428	12 428	12 428	12 428	12 428	12 428	12 428	12 428	12 428	12 428	149 134	142 871	158 739
Executive and council	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	48 654	52 082	55 751
Budget and treasury office	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	8 266	99 192	89 405	101 500
Corporate services	107	107	107	107	107	107	107	107	107	107	107	107	1 288	1 384	1 488
<i>Community and public safety</i>	1 431	1 431	1 431	1 431	1 431	1 431	1 431	1 431	1 431	1 431	1 431	1 431	17 167	18 653	20 268
Community and social services	107	107	107	107	107	107	107	107	107	107	107	107	1 279	1 391	1 511
Sport and recreation	471	471	471	471	471	471	471	471	471	471	471	471	5 650	6 215	6 836
Public safety	618	618	618	618	618	618	618	618	618	618	618	618	7 421	8 163	8 980
Housing	133	133	133	133	133	133	133	133	133	133	133	133	1 600	1 600	1 600
Health	101	101	101	101	101	101	101	101	101	101	101	101	1 216	1 283	1 341
<i>Economic and environmental services</i>	168	168	168	168	168	168	168	168	168	168	168	168	2 019	2 167	2 331
Planning and development	151	151	151	151	151	151	151	151	151	151	151	151	1 810	1 937	2 078
Road transport	17	17	17	17	17	17	17	17	17	17	17	17	209	230	253
<i>Trading services</i>	23 874	23 874	23 874	23 874	23 874	23 874	23 874	23 874	23 874	23 874	23 874	23 874	286 492	312 829	343 346
Electricity	16 183	16 183	16 183	16 183	16 183	16 183	16 183	16 183	16 183	16 183	16 183	16 183	194 192	215 546	239 248
Water	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	43 414	46 455	49 709
Waste water management	2 186	2 186	2 186	2 186	2 186	2 186	2 186	2 186	2 186	2 186	2 186	2 186	26 227	26 583	28 446
Waste management	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 659	24 245	25 942
Other	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0
Total Revenue - Standard	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	37 901	454 813	476 519	524 683
Expenditure - Standard															
<i>Governance and administration</i>	8 770	8 770	8 770	8 770	8 770	8 770	8 770	8 770	8 770	8 770	8 770	8 770	105 245	111 460	120 961
Executive and council	1 962	1 962	1 962	1 962	1 962	1 962	1 962	1 962	1 962	1 962	1 962	1 962	23 543	21 205	22 839
Budget and treasury office	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	3 087	37 043	40 198	43 158
Corporate services	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	44 659	50 057	54 964
<i>Community and public safety</i>	5 211	5 211	5 211	5 211	5 211	5 211	5 211	5 211	5 211	5 211	5 211	5 211	62 527	67 264	72 021
Community and social services	514	514	514	514	514	514	514	514	514	514	514	514	6 167	6 634	7 105
Sport and recreation	2 405	2 405	2 405	2 405	2 405	2 405	2 405	2 405	2 405	2 405	2 405	2 405	28 857	31 098	33 276
Public safety	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	1 589	19 071	20 640	22 138
Housing	266	266	266	266	266	266	266	266	266	266	266	266	3 198	3 273	3 498
Health	436	436	436	436	436	436	436	436	436	436	436	436	5 234	5 620	6 005
<i>Economic and environmental services</i>	2 086	2 086	2 086	2 086	2 086	2 086	2 086	2 086	2 086	2 086	2 086	2 086	25 032	27 089	27 845
Planning and development	874	874	874	874	874	874	874	874	874	874	874	874	10 491	11 395	12 203
Road transport	1 212	1 212	1 212	1 212	1 212	1 212	1 212	1 212	1 212	1 212	1 212	1 212	14 541	15 694	15 642
<i>Trading services</i>	18 683	18 683	18 683	18 683	18 683	18 683	18 683	18 683	18 683	18 683	18 683	18 683	224 192	246 005	272 640
Electricity	11 992	11 992	11 992	11 992	11 992	11 992	11 992	11 992	11 992	11 992	11 992	11 992	143 909	161 904	181 842
Water	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	2 747	32 966	34 603	37 641
Waste water management	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	2 064	24 770	25 534	27 749
Waste management	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	1 879	22 547	23 964	25 408
Other	142	142	142	142	142	142	142	142	142	142	142	142	1 701	1 848	1 985
Total Expenditure - Standard	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	34 891	418 697	453 667	495 452
Surplus/(Deficit) before assoc.	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	36 116	22 853	29 231
Surplus/(Deficit)	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	3 010	36 116	22 853	29 231

Table 53 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description / R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<i>Multi-year expenditure to be appropriated</i>															
Vote 1 - MUNICIPAL MANAGER	276	276	276	276	276	276	276	276	276	276	276	276	3 310	2 800	2 800
Vote 2 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17 568
Vote 3 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - DEVELOPMENT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	978	4 076
Vote 5 - TECHNICAL SERVICES	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	3 908	46 901	19 342	14 404
Capital multi-year expenditure sub-total	4 184	4 184	4 184	4 184	4 184	4 184	4 184	4 184	4 184	4 184	4 184	4 184	50 211	23 120	38 848
<i>Single-year expenditure to be appropriated</i>															
Vote 1 - MUNICIPAL MANAGER	96	96	96	96	96	96	96	96	96	96	96	96	1 150	1 545	1 940
Vote 2 - CORPORATE SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - FINANCIAL SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - DEVELOPMENT SERVICES	-	-	-	-	-	-	-	-	-	-	-	-	-	5 644	-
Vote 5 - TECHNICAL SERVICES	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	2 472	29 666	18 712	17 466
Capital single-year expenditure sub-total	2 568	2 568	2 568	2 568	2 568	2 568	2 568	2 568	2 568	2 568	2 568	2 568	30 816	25 901	19 406
Total Capital Expenditure	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	81 028	49 021	58 254

Table 54 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description / R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital Expenditure - Standard															
<i>Governance and administration</i>	804	804	804	804	804	804	804	804	804	804	804	804	9 650	15 257	22 308
Executive and council	329	329	329	329	329	329	329	329	329	329	329	329	3 950	4 345	4 740
Corporate services	475	475	475	475	475	475	475	475	475	475	475	475	5 700	10 912	17 568
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	3 764	4 076
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	3 764	4 076
<i>Economic and environmental services</i>	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	18 402	8 303	-
Planning and development	43	43	43	43	43	43	43	43	43	43	43	43	510	-	-
Road transport	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	1 491	17 892	8 303	-
<i>Trading services</i>	4 415	4 415	4 415	4 415	4 415	4 415	4 415	4 415	4 415	4 415	4 415	4 415	52 975	21 696	31 870
Electricity	1 919	1 919	1 919	1 919	1 919	1 919	1 919	1 919	1 919	1 919	1 919	1 919	23 026	10 255	12 524
Water	1 762	1 762	1 762	1 762	1 762	1 762	1 762	1 762	1 762	1 762	1 762	1 762	21 140	600	600
Waste water management	734	734	734	734	734	734	734	734	734	734	734	734	8 809	7 984	18 746
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	2 857	-
Total Capital Expenditure - Standard	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	81 028	49 021	58 254

Table 55 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS / R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Receipts By Source															
Property rates	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	4 055	48 654	52 081	55 750
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - electricity revenue	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	16 174	194 082	215 425	239 115
Service charges - water revenue	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	3 618	43 412	46 454	49 708
Service charges - sanitation revenue	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	2 070	24 842	26 583	28 446
Service charges - refuse revenue	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	1 888	22 659	24 245	25 942
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	516	516	516	516	516	516	516	516	516	516	516	516	6 192	6 812	7 493
Interest earned - external investments	126	126	126	126	126	126	126	126	126	126	126	126	1 512	1 588	1 667
Interest earned - outstanding debtors	242	242	242	242	242	242	242	242	242	242	242	242	2 902	3 106	3 323
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines	134	134	134	134	134	134	134	134	134	134	134	134	1 611	1 772	1 949
Licences and permits	139	139	139	139	139	139	139	139	139	139	139	139	1 669	1 836	2 020
Agency services	285	285	285	285	285	285	285	285	285	285	285	285	3 415	3 756	4 132
Transfer receipts - operational	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	5 546	66 551	68 690	74 426
Other revenue	229	229	229	229	229	229	229	229	229	229	229	229	2 751	3 025	3 327
Cash Receipts by Source	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	35 021	420 253	455 372	497 298
Other Cash Flows by Source															
Transfer receipts - capital	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	2 880	34 560	21 147	27 385
Contributions recognised - capital & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase in Trust Funds	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(25)	(300)	200	200
Borrowing long term/refinancing	3 539	3 539	3 539	3 539	3 539	3 539	3 539	3 539	3 539	3 539	3 539	3 539	42 468	23 473	26 069
Increase (decrease) in consumer deposits	247	247	247	247	247	247	247	247	247	247	247	247	2 958	(1 000)	561
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(83)	(1 000)	(1 000)	—
Total Cash Receipts by Source	41 578	41 578	41 578	41 578	41 578	41 578	41 578	41 578	41 578	41 578	41 578	41 603	498 938	498 193	551 513
Cash Payments by Type															
Employee related costs	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	14 173	170 073	178 157	190 587
Remuneration of councillors	609	609	609	609	609	609	609	609	609	609	609	609	7 303	7 733	8 143
Finance charges	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	1 062	12 740	14 269	15 411
Bulk purchases - Electricity	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	9 552	114 630	130 105	147 669
Bulk purchases - Water & Sewer	189	189	189	189	189	189	189	189	189	189	189	189	2 271	2 408	2 552
Other materials	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Contracted services	874	874	874	874	874	874	874	874	874	874	874	874	10 485	9 376	9 875
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	39	39	39	39	39	39	39	39	39	39	39	39	466	641	705
Other expenditure	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	6 988	83 857	92 124	100 103
Cash Payments by Type	33 485	33 485	33 485	33 485	33 485	33 485	33 485	33 485	33 485	33 485	33 485	33 485	401 825	434 813	475 046
Other Cash Flows/Payments by Type															
Capital assets	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	6 752	81 028	49 021	58 254
Repayment of borrowing	667	667	667	667	667	667	667	667	667	667	667	667	8 000	10 500	12 500
Other Cash Flows/Payments	226	226	226	226	226	226	226	226	226	226	226	226	2 708	6 764	2 263
Total Cash Payments by Type	41 130	41 130	41 130	41 130	41 130	41 130	41 130	41 130	41 130	41 130	41 130	41 130	493 561	501 098	548 063
NET INCREASE/(DECREASE) IN CASH HELD	448	448	448	448	448	448	448	448	448	448	448	448	5 378	(2 905)	3 450
Cash/cash equivalents at the month/year begin:	12 366	12 814	13 262	13 710	14 159	14 607	15 055	15 503	15 951	16 399	16 847	17 296	12 366	17 744	14 839
Cash/cash equivalents at the month/year end:	12 814	13 262	13 710	14 159	14 607	15 055	15 503	15 951	16 399	16 847	17 296	17 744	17 744	14 839	18 289

2.10 Annual budgets and SDBIPs – internal departments

2.10.1 Water Services Department – Vote 5

The department is primarily responsible for the distribution of potable water within the municipal boundary, which includes the purification of raw water, maintenance of the reticulation network and implementation of the departmental capital programme.

**Table 56 Water Services Department –
Operating revenue by source, expenditure by type and total capital expenditure**

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source									
Service charges - water revenue	30 526	34 312	35 927	40 390	40 571	40 571	43 412	46 454	49 708
Other revenue	1	6	2	5	1	1	1	1	1
Total Revenue (excluding capital transfers and contributions)	30 527	34 318	35 929	40 395	40 572	40 572	43 414	46 455	49 709
Expenditure By Type									
Employee related costs	4 335	5 074	7 018	6 185	7 660	7 660	6 872	7 388	7 901
Depreciation & asset impairment	2 394	2 818	5 515	5 429	1 578	1 578	1 642	1 839	1 987
Finance charges	2 002	1 906	2 739	2 770	1 731	1 731	3 355	3 757	4 058
Bulk purchases	2 436	2 125	1 427	1 998	2 143	2 143	2 271	2 408	2 552
Contracted services	–	–	–	–	–	–	515	–	–
Other expenditure	11 097	15 556	14 387	16 234	16 387	16 387	18 311	19 211	21 143
Total Expenditure	22 264	27 480	31 085	32 615	29 500	29 500	32 966	34 603	37 641
Surplus/(Deficit)	8 262	6 837	4 844	7 779	11 072	11 072	10 447	11 852	12 068
Surplus/(Deficit) for the year	8 262	6 837	4 844	7 779	11 072	11 072	10 447	11 852	12 068

Table 57 Water Services Department – Performance objectives and indicators

Key Performance Element	Key Performance Indicator (KPI)	Annual Target	Quarter 1 - Target	Quarter 2 - Target	Quarter 3 - Target	Quarter 4 - Target
Strategic Objective: Basic Service Delivery						
Water Distribution	New meter connections - % of requests executed	100%	100%	100%	100%	100%
	Attend to leaks, bursts and queries - % of requests attended to	95%	95%	95%	95%	95%
	Prepaid Meters installed - % of requests executed	100%	100%	100%	100%	100%
	Meter replacements - % of faulty meters replaced	100%	100%	100%	100%	100%
Water Purification	Purify raw water compliant with blue drop status	60%	N/A	N/A	N/A	60%

There are currently two unfilled positions in the senior management structures of the Water Services Departments. The senior management structure consists of 2 control technicians and 5 senior superintendents. Water services consist of 2 divisions within the sub-directorate; civil engineering services which in turn resorts under the Directorate Infrastructure Development. As part of the performance objectives for the 2012/2013 financial year, the expansion of the functional water distribution unit will, in terms of the

management of the pre-paid meters, require an amendment to the departmental organogram and the subsequent filling of vacancies.

Significant capital projects to be undertaken over the medium term includes, amongst others:

- Algae treatment tanks and filters at Abraham September Holbors Water Purification Plant – R 8.2 million;
- Installation of pre-paid water meters in Paballelo, Rosedale and Louisvale Road – R 6.0 million; and
- Replacement and upgrading of deficient reticulation infrastructure – R 1.8 million.

The total needs (R 38.5 million) are far greater than the available financial resources.

The departmental strategy is ensuring the economic value and useful life of the water reticulation network and infrastructure is maintained. To this end, the medium-term expenditure framework provides for operational repairs and maintenance of R 9.2 million, R 9.9 million and R 10.6 million in each of the respective financial years of the MTREF.

The departmental revenue base is primarily informed by the sale of water of which budget appropriation for the 2012/2013 financial year is R 43.4 million and increases to R 49.7 million by 2014/2015 and has been informed by a collection rate of 99.6% and distribution losses of just over 26%. The reduction of distribution losses is considered a priority and hence the departmental objectives and targets provide for a 2% efficiency gain per annum.

2.11 Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 58 MBRR SA34a - Capital expenditure on new assets by asset class

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	24 964	12 941	22 257	113 577	54 027	54 027	71 378	32 499	34 370
Infrastructure - Road transport	4 471	1 249	6 607	29 600	18 401	18 401	15 392	8 303	–
Roads, Pavements & Bridges	4 453	1 249	6 607	29 500	17 711	17 711	13 782	8 303	–
Storm water	18	–	–	100	690	690	1 610	–	–
Infrastructure - Electricity	12 034	4 980	11 359	25 306	22 318	22 318	23 026	10 255	12 524
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	12 034	4 980	7 845	25 306	22 318	22 318	23 026	10 255	12 524
Street Lighting	–	–	3 515	–	–	–	–	–	–
Infrastructure - Water	8 110	4 723	3 110	32 255	11 287	11 287	20 840	300	300
Dams & Reservoirs	2 283	–	–	14 600	2 800	2 800	5 926	–	–
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	5 827	4 723	3 110	17 655	8 487	8 487	14 914	300	300
Infrastructure - Sanitation	279	1 988	1 180	24 450	1 409	1 409	8 809	7 984	18 746
Reticulation	–	–	205	24 450	1 409	1 409	8 809	7 984	18 746
Sewerage purification	279	1 988	975	–	–	–	–	–	–
Infrastructure - Other	69	–	–	1 966	613	613	3 310	5 657	2 800
Waste Management	–	–	–	–	566	566	–	2 857	–
Transportation	–	–	–	–	–	–	510	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	69	–	–	1 966	47	47	2 800	2 800	2 800
Community	859	1 678	574	470	9 256	9 256	–	3 764	4 076
Parks & gardens	87	230	285	–	685	685	–	–	–
Sportsfields & stadia	–	–	93	–	4 114	4 114	–	3 764	4 076
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	–	–	–	–	169	169	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	172	420	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	36	196	470	4 287	4 287	–	–	–
Civic Buildings	–	375	–	–	–	–	–	–	–
Old Age Homes	576	–	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	24	617	–	–	–	–	–	–	–
Heritage assets	5	–	–	–	–	–	–	–	–
Buildings	–	–	–	–	–	–	–	–	–
Other	5	–	–	–	–	–	–	–	–
Investment properties	–	–	3 200	–	–	–	–	–	–
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	3 200	–	–	–	–	–	–
Other assets	651	13 560	7 234	31 000	30 074	30 074	4 870	5 165	19 508
General vehicles	–	5 348	1 669	12 892	20 846	20 846	2 880	3 620	–
Specialised vehicles	–	–	–	–	982	982	840	–	–
Plant & equipment	40	5 674	1 656	348	5 075	5 075	–	–	–
Computers - hardware/equipment	185	550	442	160	245	245	–	–	–
Furniture and other office equipment	335	1 421	1 075	–	917	917	–	–	–
Emergency Equipment	–	–	24	–	–	–	–	–	–
Fire Vehicle	–	–	150	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	0	–	–	–	–	–	–	–	–
Other Buildings	72	559	1 736	15 000	1 527	1 527	–	–	17 568
Other Land	–	–	–	–	200	200	–	–	–
Surplus Assets - (Investment or Inventory)	18	8	–	–	–	–	–	–	–
Other	–	–	482	2 600	282	282	1 150	1 545	1 940
Agricultural assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	48	–	558	558	–	–	–
Computers - software & programming	–	–	48	–	558	558	–	–	–
Total Capital Expenditure on new assets	26 479	28 179	33 313	145 047	93 916	93 916	76 248	41 429	57 954

Table 59 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>									
<u>Infrastructure</u>	-	-	-	8 680	12 087	12 087	2 800	300	300
Infrastructure - Road transport	-	-	-	7 300	10 870	10 870	2 500	-	-
<i>Roads, Pavements & Bridges</i>	-	-	-	5 000	10 870	10 870	2 500	-	-
<i>Storm water</i>	-	-	-	2 300	-	-	-	-	-
Infrastructure - Electricity	-	-	-	400	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	-	-	400	-	-	-	-	-
Infrastructure - Water	-	-	-	530	430	430	300	300	300
<i>Reticulation</i>	-	-	-	530	430	430	300	300	300
Infrastructure - Sanitation	-	-	-	450	787	787	-	-	-
<i>Reticulation</i>	-	-	-	450	787	787	-	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-
<u>Community</u>	-	-	-	450	67	67	-	-	-
Sportsfields & stadia	-	-	-	-	67	67	-	-	-
Cemeteries	-	-	-	450	-	-	-	-	-
<u>Heritage assets</u>	-	-	-	-	-	-	-	-	-
<u>Investment properties</u>	-	-	-	-	-	-	-	-	-
<u>Other assets</u>	-	-	-	100	267	267	1 980	7 292	-
General vehicles	-	-	-	-	-	-	1 980	2 442	-
Specialised vehicles	-	-	-	-	-	-	-	4 850	-
Plant & equipment	-	-	-	-	21	21	-	-	-
Computers - hardware/equipment	-	-	-	-	4	4	-	-	-
Furniture and other office equipment	-	-	-	-	217	217	-	-	-
Civic Land and Buildings	-	-	-	100	25	25	-	-	-
<u>Agricultural assets</u>	-	-	-	-	-	-	-	-	-
<u>Biological assets</u>	-	-	-	-	-	-	-	-	-
<u>Intangibles</u>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	-	-	-	9 230	12 420	12 420	4 780	7 592	300

Table 60 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	1 255	1 217	1 492	2 086	2 281	2 281	2 407	2 777	3 055
Infrastructure - Road transport	394	302	359	514	571	571	669	743	818
Roads, Pavements & Bridges	140	87	162	125	199	199	248	273	300
Storm water	254	215	196	389	371	371	421	470	517
Infrastructure - Electricity	362	482	695	726	728	728	661	778	856
Transmission & Reticulation	362	482	695	726	728	728	661	778	856
Infrastructure - Water	406	393	338	643	800	800	813	966	1 062
Dams & Reservoirs	7	6	9	60	57	57	60	66	72
Reticulation	399	387	329	583	743	743	753	900	990
Infrastructure - Sanitation	85	40	81	178	136	136	215	237	261
Reticulation	77	33	60	145	117	117	187	206	227
Sewerage purification	8	7	21	33	20	20	28	31	34
Infrastructure - Other	9	1	20	25	45	45	48	53	59
Housing	-	-	0	1	0	0	1	1	1
Other	9	1	19	24	45	45	47	52	57
Community	254	289	403	462	432	432	484	532	586
Parks & gardens	146	113	142	165	161	161	203	223	246
Sportsfields & stadia	58	103	119	124	134	134	141	155	171
Community halls	1	2	7	-	-	-	-	-	-
Recreational facilities	46	66	127	162	126	126	127	139	153
Cemeteries	2	5	9	12	10	10	13	14	16
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	6 544	6 929	8 567	8 558	8 207	8 207	8 719	9 618	10 579
General vehicles	4 528	3 947	5 288	5 227	4 886	4 886	5 109	5 620	6 182
Plant & equipment	604	929	948	860	827	827	924	1 017	1 119
Computers - hardware/equipment	67	86	131	170	121	121	134	147	162
Other Buildings	1 066	1 722	1 887	1 940	2 052	2 052	2 000	2 214	2 436
Other	279	245	313	360	320	320	552	619	681
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219

Table 61 MBRR SA35 - Future financial implications of the capital budget

Description / R thousand	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure							
Vote 1 - MUNICIPAL MANAGER	4 460	4 345	4 740				
Vote 2 - CORPORATE SERVICES	-	-	17 568				
Vote 3 - FINANCIAL SERVICES	-	-	-				
Vote 4 - DEVELOPMENT SERVICES	-	6 621	4 076				
Vote 5 - TECHNICAL SERVICES	76 567	38 054	31 870				
Total Capital Expenditure	81 028	49 021	58 254	-	-	-	-
Future operational costs by vote							
Total future operational costs	-	-	-	-	-	-	-
Future revenue by source							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	81 028	49 021	58 254	-	-	-	-

Table 62 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>												
Municipal Manager												
0002: Municipal Council	Wyk 02: Uitbreiding van Morning Glory Begraafplaas	C	No	Community	Cemetries	80	—	80	—	—	—	New
0002: Municipal Council	Wyk 09: Toilette Keidebees	C	No	Community	Cemetries	47	—	47	—	—	—	New
0002: Municipal Council	Stoele vir Begraafhisdoeleindes	C	No	Community	Community halls	147	—	147	—	—	—	New
0002: Municipal Council	Wyk 05: 20 Tafels Louisvaleweg Gemeenskapsaal	C	No	Community	Community halls	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 05: 200 Stoele - Louisvaleweg Gemeenskapsaal	C	No	Community	Community halls	14	—	14	—	—	—	New
0002: Municipal Council	Wyk 01: Rekenaarberusting (PC en Drukker) (Wyk 1)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 02: Rekenaarberusting (PC & Drukker)(Wyk 3)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 03: Rekenaarberusting (PC & Drukker)(Wyk 3)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 04: Rekenaarberusting (PC & Drukker)(Wyk 4)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 05: Rekenaarberusting (PC & Drukker)(Wyk 5)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 07: Rekenaarberusting (PC & Drukker)(Wyk 7)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 10: Rekenaarberusting (PC & Drukker)(Wyk 10)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 11: Rekenaarberusting (PC & Drukker)(Wyk 11)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 13: Rekenaarberusting (PC & Drukker)(Wyk 13)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Wyk 14: Rekenaarberusting (PC & Drukker)(Wyk 14)	C	No	Other Assets	Computers - hardware/equipment	8	—	8	—	—	—	New
0002: Municipal Council	Upgrading - Louisvaliedorp Park	C	No	Community	Parks & gardens	100	—	100	—	—	—	New
0002: Municipal Council	Wyk 02: Speelparkberusting by Morning Glory	C	No	Community	Parks & gardens	65	—	65	—	—	—	New
0002: Municipal Council	Wyk 04: Palisade Omheining by Keimoesweg Park	C	No	Community	Parks & gardens	50	—	50	—	—	—	New
0002: Municipal Council	Wyk 05: Omheining en plant van gras - speelpark	C	No	Community	Parks & gardens	80	—	80	—	—	—	New
0002: Municipal Council	Wyk 06: Park by New Heaven	C	No	Community	Parks & gardens	80	—	80	—	—	—	New
0002: Municipal Council	Wyk 08: Park by Dakotaweg	C	No	Community	Parks & gardens	80	—	80	—	—	—	New
0002: Municipal Council	Wyk 09: Park in Keidebees (Luxmanweg)	C	No	Community	Parks & gardens	100	—	100	—	—	—	New
0002: Municipal Council	Wyk 11: Speelpark by Kameelmond	C	No	Community	Parks & gardens	80	—	80	—	—	—	New
0002: Municipal Council	Wyk 13: Ontwikkeling van park - Erf	C	No	Community	Parks & gardens	50	—	50	—	—	—	New
0002: Municipal Council	Chair - High Back Leather Office Chair Speaker	C	No	Other Assets	Furniture and other office equipment	4	—	4	—	—	—	New
0002: Municipal Council	Chairs - Mirage Leather Conference (6 Chairs)	C	No	Other Assets	Furniture and other office equipment	11	—	11	—	—	—	New
0002: Municipal Council	Chairs - Mirage Leather Visitor (2 Chairs)	C	No	Other Assets	Furniture and other office equipment	4	—	4	—	—	—	New
0002: Municipal Council	Desk - Speaker	C	No	Other Assets	Furniture and other office equipment	10	—	10	—	—	—	New
0002: Municipal Council	Home Theatre System - Mayor	C	No	Other Assets	Furniture and other office equipment	15	—	15	—	—	—	New
0002: Municipal Council	Home Theatre System - Speaker	C	No	Other Assets	Furniture and other office equipment	7	—	7	—	—	—	New
0002: Municipal Council	LED TV 32" (Speaker)	C	No	Other Assets	Furniture and other office equipment	8	—	8	—	—	—	New
0002: Municipal Council	LED TV 46" (Mayor)	C	No	Other Assets	Furniture and other office equipment	8	—	8	—	—	—	New
0002: Municipal Council	loudspeaker, leer oortreksel v	C	No	Other Assets	Furniture and other office equipment	3	3	—	—	—	—	New
0002: Municipal Council	Wyk 02: Airconditioner	C	No	Other Assets	Furniture and other office equipment	10	—	10	—	—	—	New
0002: Municipal Council	Wyk 03: Airconditioner	C	No	Other Assets	Furniture and other office equipment	10	—	10	—	—	—	New
0002: Municipal Council	Wyk 03: Kantoormeubels & Kantoorberusting	C	No	Other Assets	Furniture and other office equipment	19	—	19	—	—	—	New
0002: Municipal Council	Wyk 05: Airconditioner	C	No	Other Assets	Furniture and other office equipment	10	—	10	—	—	—	New
0002: Municipal Council	Wyk 05: Kantoormeubels & Kantoorberusting	C	No	Other Assets	Furniture and other office equipment	19	—	19	—	—	—	New
0002: Municipal Council	Wyk 07: Airconditioner	C	No	Other Assets	Furniture and other office equipment	10	—	10	—	—	—	New

Table 62 MBRR 36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0002: Municipal Council	Wyk 10: Airconditioner	C	No	Other Assets	Furniture and other office equipment	10	–	10	–	–	–	New
0002: Municipal Council	Wyk 10: Kantbormeubels & Kantborberusting	C	No	Other Assets	Furniture and other office equipment	19	–	19	–	–	–	New
0002: Municipal Council	Wyk 10: Klankberusting	C	No	Other Assets	Furniture and other office equipment	25	–	25	–	–	–	New
0002: Municipal Council	Wyk 11: Airconditioner	C	No	Other Assets	Furniture and other office equipment	10	–	10	–	–	–	New
0002: Municipal Council	Wyk 01: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 02: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 03: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 04: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 05: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 06: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 07: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 08: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 09: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 10: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 11: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 12: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 13: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	Wyk 14: Nie-Toegekende Wyksprojekte	C	No	Infrastructure - Other	Other	600	–	–	200	200	200	New
0002: Municipal Council	paving, wyk 4: paving of inter	C	No	Infrastructure - Road transport	Roads, Pavements & Bridges	13	13	–	–	–	–	New
0002: Municipal Council	Wyk 01: Spoedbrekers by Vuurberg-, Uilsberg-, Heuningberg- en Drakensbergstrate	C	No	Infrastructure - Road transport	Roads, Pavements & Bridges	60	–	60	–	–	–	New
0002: Municipal Council	Wyk 04: Spoedbrekers by Vlasblom-, Varkoor-, Tulp-, Kosmos- en Dabodilweg	C	No	Infrastructure - Road transport	Roads, Pavements & Bridges	60	–	60	–	–	–	New
0002: Municipal Council	Wyk 07: Speed Bumps at Alpha-, Kaizer- and King Street	C	No	Infrastructure - Road transport	Roads, Pavements & Bridges	20	–	20	–	–	–	New
0002: Municipal Council	Warm / Cold Cooler for Mayor's Vehide	C	No	Other Assets	Other	1	–	1	–	–	–	New
0002: Municipal Council	Wyk 10: Verbeteringe by Babbelskies	C	No	Other Assets	Other Buildings	50	–	50	–	–	–	New
0002: Municipal Council	Wyk 14: Omheining van kantorgebou - Nsikelelo	C	No	Other Assets	Other Buildings	25	–	25	–	–	–	New
0002: Municipal Council	Wyk 12: Grondaankope	C	No	Other Assets	Other Land	200	–	200	–	–	–	New
0008: Strategic Operations and Public Relations	chair, secretary chair	C	No	Other Assets	Computers - hardware/equipment	1	1	–	–	–	–	New
0008: Strategic Operations and Public Relations	computer screen, lg lod - 18.5	C	No	Other Assets	Computers - hardware/equipment	1	1	–	–	–	–	New
0008: Strategic Operations and Public Relations	computer, hp500 dc e5700	C	No	Other Assets	Computers - hardware/equipment	4	4	–	–	–	–	New
0008: Strategic Operations and Public Relations	laptop	C	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0008: Strategic Operations and Public Relations	laptop2 - fleet manage	C	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0008: Strategic Operations and Public Relations	Mecer 42" Full HD LCD Monitor	C	No	Other Assets	Computers - hardware/equipment	5	–	5	–	–	–	New
0008: Strategic Operations and Public Relations	printer, samsung sl650p 4-in-1	C	No	Other Assets	Computers - hardware/equipment	2	2	–	–	–	–	New
0008: Strategic Operations and Public Relations	software	C	No	Other Assets	Computers - hardware/equipment	28	28	–	–	–	–	New
0008: Strategic Operations and Public Relations	software	C	No	Intangibles	Computers - software & programming	9	9	–	–	–	–	New
0008: Strategic Operations and Public Relations	Airconditioner (Sek Bestuurder Strategiesedienste)	C	No	Other Assets	Furniture and other office equipment	7	–	7	–	–	–	New
0008: Strategic Operations and Public Relations	chair, stoel - abeljee	C	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0008: Strategic Operations and Public Relations	LED TV 32" (Manager: Strategic Operations)	C	No	Other Assets	Furniture and other office equipment	8	–	8	–	–	–	New
0011: Municipal Manager	bookcase, bookcase - 5 tier g/	C	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0011: Municipal Manager	cabinet, credenza r/d 1150mm	C	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0011: Municipal Manager	desk, cluster unit (1600mm) lh	C	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0011: Municipal Manager	desk, cluster unit (1600mm) rh	C	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0011: Municipal Manager	gps tom tom x1	C	No	Other Assets	Furniture and other office equipment	(1)	(1)	–	–	–	–	New
0011: Municipal Manager	LCD FHD 40" TV & Speakers (Municipal Manager)	C	No	Other Assets	Furniture and other office equipment	13	–	13	–	–	–	New
0011: Municipal Manager	pedestal, double pedestal desk	C	No	Other Assets	Furniture and other office equipment	5	5	–	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0011: Municipal Manager	pedestal, pedestal 3 draw	C	No	Other Assets	Furniture and other office equipment	2	2	-	-	-	-	New
0011: Municipal Manager	projector, steel refic cantile	C	No	Other Assets	Furniture and other office equipment	2	2	-	-	-	-	New
0011: Municipal Manager	projector, steel refic leg and	C	No	Other Assets	Furniture and other office equipment	1	1	-	-	-	-	New
0011: Municipal Manager	screen, fabric screens 1600x45	C	No	Other Assets	Furniture and other office equipment	2	2	-	-	-	-	New
0011: Municipal Manager	Unallocated Assets (Administration)	C	No	Other Assets	Other	4 916	-	281	1 150	1 545	1 940	New
0019: IDP & PMS	cemetery, wyk 11: ontwikkeling	C	No	Community	Cemetries	182	182	-	-	-	-	New
0019: IDP & PMS	cemetery, wyk 12: karos begraf	C	No	Community	Cemetries	14	14	-	-	-	-	New
0019: IDP & PMS	fenceing, wyk 07: fencing of u	C	No	Community	Parks & gardens	52	52	-	-	-	-	New
0019: IDP & PMS	parks, wyk 7: establishment of	C	No	Community	Parks & gardens	4	4	-	-	-	-	New
0019: IDP & PMS	tydelike asds	C	No	Community	Parks & gardens	33	33	-	-	-	-	New
0019: IDP & PMS	chair plastic stackable, wyk 0	C	No	Other Assets	Furniture and other office equipment	91	91	-	-	-	-	New
0019: IDP & PMS	chair plastic stackable, wyk 1	C	No	Other Assets	Furniture and other office equipment	53	53	-	-	-	-	New
0019: IDP & PMS	Desk 1600x750mm	C	No	Other Assets	Furniture and other office equipment	4	-	4	-	-	-	New
0019: IDP & PMS	Filing Cabinet - 4 Drawer	C	No	Other Assets	Furniture and other office equipment	5	-	5	-	-	-	New
0019: IDP & PMS	Pedestal F50083 3 Draw Fit	C	No	Other Assets	Furniture and other office equipment	2	-	2	-	-	-	New
0019: IDP & PMS	System Cabinet 1800mm	C	No	Other Assets	Furniture and other office equipment	6	-	6	-	-	-	New
0019: IDP & PMS	table folding, wyk 01: 20 taf	C	No	Other Assets	Furniture and other office equipment	16	16	-	-	-	-	New
0019: IDP & PMS	table folding, wyk 03: 20 taf	C	No	Other Assets	Furniture and other office equipment	8	8	-	-	-	-	New
0019: IDP & PMS	table folding, wyk 05: 20 taf	C	No	Other Assets	Furniture and other office equipment	8	8	-	-	-	-	New
0019: IDP & PMS	table folding, wyk 07: 20 taf	C	No	Other Assets	Furniture and other office equipment	16	16	-	-	-	-	New
0019: IDP & PMS	table folding, wyk 10: 20 taf	C	No	Other Assets	Furniture and other office equipment	8	8	-	-	-	-	New
0019: IDP & PMS	table folding, wyk 11: 20 taf	C	No	Other Assets	Furniture and other office equipment	16	16	-	-	-	-	New
0019: IDP & PMS	table folding, wyk 12: 20 taf	C	No	Other Assets	Furniture and other office equipment	24	24	-	-	-	-	New
0019: IDP & PMS	Typist Chair	C	No	Other Assets	Furniture and other office equipment	2	-	2	-	-	-	New
0019: IDP & PMS	Visitor Chair	C	No	Other Assets	Furniture and other office equipment	1	-	1	-	-	-	New
0019: IDP & PMS	buildings (pub facilities), wy	C	No	Other Assets	Other	60	60	-	-	-	-	New
0019: IDP & PMS	fenceing, fenceing of karos co	C	No	Other Assets	Other	84	84	-	-	-	-	New
0019: IDP & PMS	fenceing, wyk 01: palisade omh	C	No	Other Assets	Other	45	45	-	-	-	-	New
0019: IDP & PMS	fenceing, wyk 10: palisade omh	C	No	Other Assets	Other	90	90	-	-	-	-	New
0019: IDP & PMS	paving, wyk 01: plaveisel rose	C	No	Other Assets	Other	117	117	-	-	-	-	New
0019: IDP & PMS	paving, wyk 10: paving of babb	C	No	Other Assets	Other	0	0	-	-	-	-	New
0019: IDP & PMS	buildings (offices), wyk 01: v	C	No	Other Assets	Other Buildings	42	42	-	-	-	-	New
0019: IDP & PMS	buildings (offices), wyk 10: u	C	No	Other Assets	Other Buildings	145	145	-	-	-	-	New
0019: IDP & PMS	car port, wyk 10: afdak - babb	C	No	Other Assets	Other Buildings	16	16	-	-	-	-	New
0019: IDP & PMS	tydelike asds	C	No	Other Assets	Other Buildings	189	189	-	-	-	-	New
0019: IDP & PMS	fenceing, wyk 11: fenceing of	C	No	Community	Sportsfields & stadia	62	62	-	-	-	-	New
0032: Internal Audit	printer, fax, copier, printer	C	No	Other Assets	Computers - hardware/equipment	2	2	-	-	-	-	New
0032: Internal Audit	H/B Leather Chair	C	No	Other Assets	Furniture and other office equipment	1	-	1	-	-	-	New
0032: Local Economic Development	LED Skerms - Hoek van Lutz & Le Rouxstraat	C	No	Other Assets	Furniture and other office equipment	24	-	24	-	-	-	New
0032: Local Economic Development	Upgrading Long Distance Taxi Rank (Oorrol)	C	No	Infrastructure - Other	Transportation	510	-	-	510	-	-	New
0032: Local Economic Development	taxi rank, upgrading long dist	C	No	Other Assets	Other Buildings	42	42	-	-	-	-	New
0034: Fleet Management	Airconditioner 18000 BTU York	C	No	Other Assets	Furniture and other office equipment	5	-	5	-	-	-	New
0034: Fleet Management	Chair With Arms	C	No	Other Assets	Furniture and other office equipment	1	-	1	-	-	-	New
0034: Fleet Management	executive desk	C	No	Other Assets	Furniture and other office equipment	8	-	8	-	-	-	New
0034: Fleet Management	High Back Chair	C	No	Other Assets	Furniture and other office equipment	4	-	4	-	-	-	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	New or renewal
0034: Fleet Management	Markerboard (WB)	C	No	Other Assets	Furniture and other office equipment	0	–	0	–	–	–	New
0034: Fleet Management	Markerboard Aluminium	C	No	Other Assets	Furniture and other office equipment	0	–	0	–	–	–	New
0034: Fleet Management	Office Chair H/B	C	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0034: Fleet Management	Visitor Chair	C	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0034: Fleet Management	Glass Door Wall Unit	C	No	Other Assets	Other Buildings	4	–	4	–	–	–	New
0034: Fleet Management	Wooden Door Wall Unit	C	No	Other Assets	Other Buildings	4	–	4	–	–	–	New
0051: Island Holiday Resort	chair, kroegsbele (oorrol)	E	No	Other Assets	Furniture and other office equipment	34	34	–	–	–	–	New
0051: Island Holiday Resort	fridge, 15 x bar-fridges	E	No	Other Assets	Furniture and other office equipment	18	18	–	–	–	–	New
0051: Island Holiday Resort	heater, 10 x geysers	E	No	Other Assets	Furniture and other office equipment	23	23	–	–	–	–	New
0051: Island Holiday Resort	Fencing - Riverbank (Near Hall)	E	No	Community	Sportsfields & stadia	22	–	22	–	–	–	Renewal
0051: Island Holiday Resort	Fencing - Rugbyfield	E	No	Community	Sportsfields & stadia	16	–	16	–	–	–	Renewal
0051: Island Holiday Resort	Fencing Rolbalbaan	E	No	Community	Sportsfields & stadia	28	–	28	–	–	–	Renewal
Corporate Services												
0001: Administration	computer, rekenaar vir registr	C	No	Other Assets	Computers - hardware/equipment	11	11	–	–	–	–	New
0001: Administration	laptop, laptop - hp core	C	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0001: Administration	network cable, comp networks,	C	No	Other Assets	Computers - hardware/equipment	22	22	–	–	–	–	New
0001: Administration	air conditioner, airconditioe	C	No	Other Assets	Furniture and other office equipment	212	212	–	–	–	–	New
0001: Administration	airconditioners (replacements	C	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0001: Administration	Frankeer Masjien	C	No	Other Assets	Furniture and other office equipment	15	–	15	–	–	–	Renewal
0001: Administration	ice machine, ice machine	C	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0001: Administration	Sharp MX-3100 Digital Colour Copier	C	No	Other Assets	Furniture and other office equipment	86	–	86	–	–	–	Renewal
0001: Administration	erf, grondaankope (uap)(oorrol	C	No	Investment Properties	Other	3 200	3 200	–	–	–	–	New
0001: Administration	Additional Office Buildings (Head Office)	C	No	Other Assets	Other Buildings	19 012	–	1 444	–	–	17 568	New
0004: Property Administration	air conditioner, air condition	C	No	Other Assets	Furniture and other office equipment	11	11	–	–	–	–	New
0004: Property Administration	Aircon 18000 BTU Luxair Split (ND Swartz Gebou)	C	No	Other Assets	Furniture and other office equipment	14	–	14	–	–	–	New
0004: Property Administration	buildings (offices), electrifi	C	No	Other Assets	Other Buildings	350	350	–	–	–	–	New
0004: Property Administration	buildings (offices), improve	C	No	Other Assets	Other Buildings	522	522	–	–	–	–	New
0004: Property Administration	alarm system, smoke-detector a	C	No	Other Assets	Security and policing	150	150	–	–	–	–	New
0009: Human Resources	cabinet, 3 x 4-draw filing cab	D	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
0009: Human Resources	cabinet, file cabinet (3-tier)	D	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0009: Human Resources	cabinet, file cabinet (4-tier)	D	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0009: Human Resources	cabinet, pm2080 cabinet solid	D	No	Other Assets	Furniture and other office equipment	6	6	–	–	–	–	New
0009: Human Resources	cabinet, pm2080gd cabinet glas	D	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
0009: Human Resources	chair, 2 x chair mirage h/b s/	D	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0009: Human Resources	chair, 3 x chair contour lamin	D	No	Other Assets	Furniture and other office equipment	6	6	–	–	–	–	New
0009: Human Resources	chair, 3 x chair s4000 syncro	D	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0009: Human Resources	chair, chair t napoli h/b	D	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0009: Human Resources	chair, visitor chairs	D	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0009: Human Resources	desk, cluster unit 1800mm	D	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0009: Human Resources	desk, credenza f50039 900x600m	D	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0009: Human Resources	desk, desk	D	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0009: Human Resources	desk, pedestal f50083 3-draw f	D	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0033: Information Technology	3 x Laptops (IDP Department)	B	No	Other Assets	Computers - hardware/equipment	16	–	16	–	–	–	New
0033: Information Technology	Acer Veriton - Esterhuizen	B	No	Other Assets	Computers - hardware/equipment	3	–	3	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	New or renewal
0033: Information Technology	computer	B	No	Other Assets	Computers - hardware/equipment	44	44	–	–	–	–	New
0033: Information Technology	computer screen	B	No	Other Assets	Computers - hardware/equipment	7	7	–	–	–	–	New
0033: Information Technology	computer screen, 2 x lg wide m	B	No	Other Assets	Computers - hardware/equipment	2	2	–	–	–	–	New
0033: Information Technology	computer screen, asus 18" moni	B	No	Other Assets	Computers - hardware/equipment	1	1	–	–	–	–	New
0033: Information Technology	computer, 2 x desktop (cctv mo	B	No	Other Assets	Computers - hardware/equipment	8	8	–	–	–	–	New
0033: Information Technology	computer, acer extenza e4700	B	No	Other Assets	Computers - hardware/equipment	4	4	–	–	–	–	New
0033: Information Technology	computer, computers for pre-pa	B	No	Other Assets	Computers - hardware/equipment	147	147	–	–	–	–	New
0033: Information Technology	Desktop Computer (Replace UP Slave 08)	B	No	Other Assets	Computers - hardware/equipment	3	–	3	–	–	–	Renewal
0033: Information Technology	Desktop Screen (Replace UP Slave 08)	B	No	Other Assets	Computers - hardware/equipment	1	–	1	–	–	–	Renewal
0033: Information Technology	Gigabyte Q2005 Atom N550 + Bag	B	No	Other Assets	Computers - hardware/equipment	2	–	2	–	–	–	New
0033: Information Technology	laptop	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0033: Information Technology	Laptop - Chief Accountant: Fin & Assets Management	B	No	Other Assets	Computers - hardware/equipment	6	–	6	–	–	–	New
0033: Information Technology	Laptop - Manager Financial Management	B	No	Other Assets	Computers - hardware/equipment	6	–	6	–	–	–	New
0033: Information Technology	Laptop - Senior Kontrole Tegnikus	B	No	Other Assets	Computers - hardware/equipment	6	–	6	–	–	–	New
0033: Information Technology	Laptop & Bag	B	No	Other Assets	Computers - hardware/equipment	6	–	6	–	–	–	New
0033: Information Technology	Laptop & Bag x 3 (2011 Interns)	B	No	Other Assets	Computers - hardware/equipment	17	–	17	–	–	–	New
0033: Information Technology	Laptop and Bag (Mayor)	B	No	Other Assets	Computers - hardware/equipment	16	–	16	–	–	–	New
0033: Information Technology	laptop, acer tm6742 laptop (kl	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0033: Information Technology	laptop, acer tm6742 laptop (ko	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0033: Information Technology	laptop, gigabyte 1000c netbook	B	No	Other Assets	Computers - hardware/equipment	3	3	–	–	–	–	New
0033: Information Technology	laptop, laptop acer tm6742 (in	B	No	Other Assets	Computers - hardware/equipment	12	12	–	–	–	–	New
0033: Information Technology	laptop, laptop hoof. invorderi	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0033: Information Technology	LG External DVDRW Slim (Housing)	B	No	Other Assets	Computers - hardware/equipment	0	–	0	–	–	–	New
0033: Information Technology	LG External DVDRW Slim (Mayor)	B	No	Other Assets	Computers - hardware/equipment	0	–	0	–	–	–	New
0033: Information Technology	Mecer Flatscreen 23" (Ingenieursdienste)	B	No	Other Assets	Computers - hardware/equipment	2	–	2	–	–	–	New
0033: Information Technology	Monitor - LG - Esterhuizen	B	No	Other Assets	Computers - hardware/equipment	1	–	1	–	–	–	New
0033: Information Technology	Monitor LG (Indigent Unit ND Swartz)	B	No	Other Assets	Computers - hardware/equipment	1	–	1	–	–	–	New
0033: Information Technology	POE Switch	B	No	Other Assets	Computers - hardware/equipment	6	–	6	–	–	–	New
0033: Information Technology	Rekenaar - Hulpbehoewende Afdeling (ND Swartz)	B	No	Other Assets	Computers - hardware/equipment	10	–	10	–	–	–	New
0033: Information Technology	Rekenaar (Indigent Unit ND Swartz)	B	No	Other Assets	Computers - hardware/equipment	3	–	3	–	–	–	New
0033: Information Technology	Rekenaar vir Tuinboukundige	B	No	Other Assets	Computers - hardware/equipment	3	–	3	–	–	–	New
0033: Information Technology	Rekenaarskerm - Hulpbehoewende Afdeling (ND Swartz)	B	No	Other Assets	Computers - hardware/equipment	2	–	2	–	–	–	New
0033: Information Technology	Rekenaarskerm 23" Ingenieursdienste	B	No	Other Assets	Computers - hardware/equipment	2	–	2	–	–	–	New
0033: Information Technology	Rekenaarskerm vir Tuinboukundige	B	No	Other Assets	Computers - hardware/equipment	1	–	1	–	–	–	New
0033: Information Technology	Microsoft Office 2010 Licenses x 215	B	No	Intangibles	Computers - software & programming	529	–	529	–	–	–	New
0033: Information Technology	software	B	No	Intangibles	Computers - software & programming	13	13	–	–	–	–	New
0033: Information Technology	software, caddie 15 argitektu	B	No	Intangibles	Computers - software & programming	8	8	–	–	–	–	New
0033: Information Technology	software, caddie 15 profession	B	No	Intangibles	Computers - software & programming	5	5	–	–	–	–	New
0033: Information Technology	software, software for 45 comp	B	No	Intangibles	Computers - software & programming	9	9	–	–	–	–	New
0033: Information Technology	5 x D-Term Telephones (LCU Unit)	B	No	Other Assets	Furniture and other office equipment	6	–	6	–	–	–	New
0033: Information Technology	computer cabinet, cabinet 9u s	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0033: Information Technology	Printer - Samsung (Head: Fin & Assets Management)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer - Samsung (Hoof Parke)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer - Samsung (Rekreasie Beampte)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer Damsung 4-In-1 (Omgewingsgesondheid)	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0033: Information Technology	Printer OKI 5521 (Invorderings)	B	No	Other Assets	Furniture and other office equipment	4	–	4	–	–	–	New
0033: Information Technology	Printer Samsung (4-In-1)(Mayor's Office)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer Samsung (4-In-1)(Municipal Manager)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer Samsung (4-In-1)(Tegniese Dienste Administrasie)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	Renewal
0033: Information Technology	Printer Samsung 4-In-1 (Direkteur Ontwikkelingsdienste)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer Samsung 4-In-1 (ND Swartz - Indigent)	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0033: Information Technology	Printer Samsung CLP325N	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	Printer vir Tuinboukundige	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	printer, 4-in-1 printer for de	B	No	Other Assets	Furniture and other office equipment	2	–	–	–	–	–	New
0033: Information Technology	printer, dot matrix printers r	B	No	Other Assets	Furniture and other office equipment	16	16	–	–	–	–	New
0033: Information Technology	Samsung 4-In-1 Printer (GOP)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0033: Information Technology	draadlose netwerk toerusting,	B	No	Other Assets	Plant & equipment	77	77	–	–	–	–	New
0038: Director Corporate Services	Airconditioner (Direkteur Korporatiewe Dienste)	C	No	Other Assets	Furniture and other office equipment	13	–	13	–	–	–	Renewal
0038: Director Corporate Services	Airconditioner (Sek DKD)	C	No	Other Assets	Furniture and other office equipment	6	–	6	–	–	–	Renewal
0038: Director Corporate Services	LED TV 32" Director Corporate Services	C	No	Other Assets	Furniture and other office equipment	8	–	8	–	–	–	New
0038: Director Corporate Services	Scanner HP Scanjet N6310	C	No	Other Assets	Furniture and other office equipment	4	–	4	–	–	–	New
0039: Legal Services	Scanner HP Scanjet N6310	C	No	Other Assets	Furniture and other office equipment	4	–	4	–	–	–	New
Financial Services												
0007: Financial Servies	waterverkope handheld eenheid,	A	No	Other Assets	Computers - hardware/equipment	56	56	–	–	–	–	New
0007: Financial Servies	software, cashflow (pre-paid w	A	No	Intangibles	Computers - software & programming	4	4	–	–	–	–	New
0007: Financial Servies	1 x Chair C3 With Arms (Kamer 029)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x Chair C3 With Arms (Kamer 030)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x Chair C3 With Arms (Kamer 031)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x Chair Mirage Highback Leather (Kamer 037)	A	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0007: Financial Servies	1 x Chair PC6 Paula Highback (Kamer 029)	A	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0007: Financial Servies	1 x Chair PC6 Paula Highback (Kamer 030)	A	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0007: Financial Servies	1 x Chair PC6 Paula Highback (Kamer 031)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x FEV Bookcase F50082 (5 Tier)(Kamer 037)	A	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0007: Financial Servies	1 x FEV Cluster Unit F50603 (1600mm)(Kamer 031)	A	No	Other Assets	Furniture and other office equipment	4	–	4	–	–	–	New
0007: Financial Servies	1 x FEV Cluster Unit F50616 (1800mm)(Kamer 037)	A	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50016 (1800x750)(Kamer 029)	A	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50016 (1800x750)(Kamer 030)	A	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50020 (900x6000)(Kamer 029)	A	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50020 (900x6000)(Kamer 030)	A	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50020 (900x6000)(Kamer 031)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50020 (900x6000)(Kamer 037)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50024 (1200x6000)(Kamer 029)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0007: Financial Servies	1 x FEV Desk F50024 (1200x6000)(Kamer 030)	A	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0007: Financial Services	1 x FEV Desk F50024 (1200x6000)(Kamer 031)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	1 x FEV Desk F50024 (1200x6000)(Kamer 037)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	1 x FEV F50652 Mobile Pedstal (3 Draw)(Kamer 037)	A	No	Other Assets	Furniture and other office equipment	3	—	3	—	—	—	New
0007: Financial Services	1 x FEV Pedestal F50052 (3 Draw)(Kamer 029)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	1 x FEV Pedestal F50052 (3 Draw)(Kamer 030)	A	No	Other Assets	Furniture and other office equipment	3	—	3	—	—	—	New
0007: Financial Services	1 x FEV Pedestal F50052 (3 Draw)(Kamer 031)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	4 Drawer Pedestal (Office 093)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	air conditioner, airconditione	A	No	Other Assets	Furniture and other office equipment	8	8	—	—	—	—	New
0007: Financial Services	air conditioner, lugversorger	A	No	Other Assets	Furniture and other office equipment	5	5	—	—	—	—	New
0007: Financial Services	Airconditioner (Supply Chain)	A	No	Other Assets	Furniture and other office equipment	6	—	6	—	—	—	New
0007: Financial Services	Bookcase 5 Tier (Office 093)	A	No	Other Assets	Furniture and other office equipment	3	—	3	—	—	—	New
0007: Financial Services	cabinet	A	No	Other Assets	Furniture and other office equipment	3	3	—	—	—	—	New
0007: Financial Services	cable length meter, cable leng	A	No	Other Assets	Furniture and other office equipment	4	4	—	—	—	—	New
0007: Financial Services	camera, digital camera	A	No	Other Assets	Furniture and other office equipment	1	1	—	—	—	—	New
0007: Financial Services	Chair Paula Highback (Office 093)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	Chair With Arms (Office 093)	A	No	Other Assets	Furniture and other office equipment	1	—	1	—	—	—	New
0007: Financial Services	chair, kassiersstoel (oorrol)	A	No	Other Assets	Furniture and other office equipment	7	7	—	—	—	—	New
0007: Financial Services	chair, paula highback chair (a	A	No	Other Assets	Furniture and other office equipment	1	1	—	—	—	—	New
0007: Financial Services	chair, paula highback chair (d	A	No	Other Assets	Furniture and other office equipment	2	2	—	—	—	—	New
0007: Financial Services	chair, paula highback chair (f	A	No	Other Assets	Furniture and other office equipment	1	1	—	—	—	—	New
0007: Financial Services	Cluster Unit (Office 093)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	desk	A	No	Other Assets	Furniture and other office equipment	1	1	—	—	—	—	New
0007: Financial Services	Desk Cluster Unit F50616 (Indigent Section)	A	No	Other Assets	Furniture and other office equipment	10	—	10	—	—	—	New
0007: Financial Services	desk, desk (asst asset managem	A	No	Other Assets	Furniture and other office equipment	2	2	—	—	—	—	New
0007: Financial Services	desk, desk (asst finance manag	A	No	Other Assets	Furniture and other office equipment	2	2	—	—	—	—	New
0007: Financial Services	desk, f50603 cluster unit 1600	A	No	Other Assets	Furniture and other office equipment	5	5	—	—	—	—	New
0007: Financial Services	desk, f50683 4 draw pedestal (A	No	Other Assets	Furniture and other office equipment	5	5	—	—	—	—	New
0007: Financial Services	filing cabinet (debt collecti	A	No	Other Assets	Furniture and other office equipment	1	1	—	—	—	—	New
0007: Financial Services	High Back Chair (Indigents Section)	A	No	Other Assets	Furniture and other office equipment	4	—	4	—	—	—	New
0007: Financial Services	High Back Office Chair (Office 028)	A	No	Other Assets	Furniture and other office equipment	1	—	1	—	—	—	New
0007: Financial Services	Pedestal F50083 3 Draw Fit (Indigent Section)	A	No	Other Assets	Furniture and other office equipment	3	—	3	—	—	—	New
0007: Financial Services	pedestal, pedestal (asst asset	A	No	Other Assets	Furniture and other office equipment	2	2	—	—	—	—	New
0007: Financial Services	pedestal, pedestal (asst finan	A	No	Other Assets	Furniture and other office equipment	2	2	—	—	—	—	New
0007: Financial Services	Printer Samsung (4-In-1)	A	No	Other Assets	Furniture and other office equipment	1	—	1	—	—	—	New
0007: Financial Services	punching machine, punch uno he	A	No	Other Assets	Furniture and other office equipment	0	0	—	—	—	—	New
0007: Financial Services	scanner	A	No	Other Assets	Furniture and other office equipment	29	29	—	—	—	—	New
0007: Financial Services	Visitor Chair (Indigent Section)	A	No	Other Assets	Furniture and other office equipment	2	—	2	—	—	—	New
0007: Financial Services	Visitors Chair (Office 028)	A	No	Other Assets	Furniture and other office equipment	1	—	1	—	—	—	New
0007: Financial Services	Ladder (Gravity Wonder)	A	No	Other Assets	Plant & equipment	1	—	1	—	—	—	New
0007: Financial Services	ladder, ladder aluminium 1.8m	A	No	Other Assets	Plant & equipment	1	1	—	—	—	—	New
0007: Financial Services	trolley, trolley	A	No	Other Assets	Plant & equipment	1	1	—	—	—	—	New
Development Services												
0020: Traffic Services	4 x 19" LCD Monitor	B	No	Other Assets	Computers - hardware/equipment	13	—	13	—	—	—	New
0020: Traffic Services	4 x E-Natis Workstations (2GB)	B	No	Other Assets	Computers - hardware/equipment	41	—	41	—	—	—	New
0020: Traffic Services	2 x E-Natis Document Printer	B	No	Other Assets	Furniture and other office equipment	39	—	39	—	—	—	New
0020: Traffic Services	2 x E-Natis Query Printer	B	No	Other Assets	Furniture and other office equipment	15	—	15	—	—	—	New
0020: Traffic Services	air conditioner, airconditione	B	No	Other Assets	Furniture and other office equipment	33	33	—	—	—	—	New
0020: Traffic Services	cabinet, 4-draw file cabinet	B	No	Other Assets	Furniture and other office equipment	7	7	—	—	—	—	New
0020: Traffic Services	chair	B	No	Other Assets	Furniture and other office equipment	1	1	—	—	—	—	New
0020: Traffic Services	chair, chair c3 with arms	B	No	Other Assets	Furniture and other office equipment	4	4	—	—	—	—	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	New or renewal
0020: Traffic Services	chair, chair paula highback	B	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
0020: Traffic Services	chair, kassierstoel (oorrol)	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0020: Traffic Services	printer, hp laserjet m2727	B	No	Other Assets	Furniture and other office equipment	5	5	–	–	–	–	New
0020: Traffic Services	tools workshop, angle grinder	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, cut-off saw 35	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0020: Traffic Services	tools workshop, drill 13mm 650	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, hammer claw 50	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, hammer sledge	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, ladder alumi	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0020: Traffic Services	tools workshop, level 600mm	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, plier 250mm	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, raco steel squ	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	tools workshop, wheelbarrow co	B	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0020: Traffic Services	buildings (offices), lcu's off	B	No	Other Assets	Other Buildings	304	304	–	–	–	–	New
0020: Traffic Services	Brake Testing Machine	B	No	Other Assets	Plant & equipment	248	–	248	–	–	–	New
0020: Traffic Services	welding machine	B	No	Other Assets	Plant & equipment	1	1	–	–	–	–	New
0021: Fire Brigade Services	fire hose, fire hoses replacem	B	No	Other Assets	Emergency Equipment	24	24	–	–	–	–	New
0021: Fire Brigade Services	chair, conference table, chair	B	No	Other Assets	Furniture and other office equipment	11	11	–	–	–	–	New
0021: Fire Brigade Services	chair, office chairs, visitor	B	No	Other Assets	Furniture and other office equipment	9	9	–	–	–	–	New
0021: Fire Brigade Services	Digital Camera, Bag & Memory Card	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0021: Fire Brigade Services	water tanker	B	No	Other Assets	General vehicles	703	703	–	–	–	–	New
0021: Fire Brigade Services	2 Rigting Radios	B	No	Other Assets	Plant & equipment	5	–	5	–	–	–	New
0021: Fire Brigade Services	Asemhaling Silinders	B	No	Other Assets	Plant & equipment	7	–	7	–	–	–	New
0021: Fire Brigade Services	Gas Verwarmers	B	No	Other Assets	Plant & equipment	4	–	4	–	–	–	New
0021: Fire Brigade Services	pump, floatable portable pump	B	No	Other Assets	Plant & equipment	19	19	–	–	–	–	New
0021: Fire Brigade Services	pump, water pump machine (oorr	B	No	Other Assets	Plant & equipment	109	109	–	–	–	–	New
0021: Fire Brigade Services	radio	B	No	Other Assets	Plant & equipment	4	4	–	–	–	–	New
0021: Fire Brigade Services	radio, kenwood mobile radio &	B	No	Other Assets	Plant & equipment	3	3	–	–	–	–	New
0021: Fire Brigade Services	system, pa system & mic of he	B	No	Other Assets	Plant & equipment	2	2	–	–	–	–	New
0021: Fire Brigade Services	water tanker, waterlanker met	B	No	Other Assets	Plant & equipment	1 024	1 024	–	–	–	–	New
0024: Security Services	computer screen	B	No	Other Assets	Computers - hardware/equipment	1	1	–	–	–	–	New
0024: Security Services	computer, computer	B	No	Other Assets	Computers - hardware/equipment	3	3	–	–	–	–	New
0024: Security Services	laptop, laptop (hoof-sekuritei)	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
0024: Security Services	4 Drawer (No Top)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	600x450 D/HP Top	B	No	Other Assets	Furniture and other office equipment	0	–	0	–	–	–	New
0024: Security Services	Bookcase Glass Door	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0024: Security Services	Bookcase Hinged Door	B	No	Other Assets	Furniture and other office equipment	4	–	4	–	–	–	New
0024: Security Services	C2 Economic Side Chair (2 Chairs)	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0024: Security Services	C3 Economic side Chair (2 Chairs)	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0024: Security Services	Cabinet 2 Door Steel	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	cabinet, double glass doors	B	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
0024: Security Services	chair	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0024: Security Services	Chair Mats Bronze	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0024: Security Services	Chairs With Arms	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	Cluster Unit	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	New or renewal
0024: Security Services	Cluster Unit 1800x1200	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	desk	B	No	Other Assets	Furniture and other office equipment	10	10	–	–	–	–	New
0024: Security Services	Filing Cabinet - 4 Drawer	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	H/B Chair Standard	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	Head Chair (4 Chairs)	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0024: Security Services	Locker 2 Tier	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	Pedestal 4 Drawer	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	Pedestal Top	B	No	Other Assets	Furniture and other office equipment	0	–	0	–	–	–	New
0024: Security Services	Posture High Back Chair (2 Chairs)	B	No	Other Assets	Furniture and other office equipment	5	–	5	–	–	–	New
0024: Security Services	printer	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0024: Security Services	radio, 12 x handheld radio's	B	No	Other Assets	Furniture and other office equipment	24	24	–	–	–	–	New
0024: Security Services	Reception Unit	B	No	Other Assets	Furniture and other office equipment	9	–	9	–	–	–	New
0024: Security Services	Steel Cabinet (4 Draws)	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0024: Security Services	Steel Cabinet Cupboard	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0024: Security Services	fenceing, fencing / entrance c	B	No	Other Assets	Other	13	13	–	–	–	–	New
0024: Security Services	lane dividers, tension barrier	B	No	Other Assets	Plant & equipment	7	7	–	–	–	–	New
0024: Security Services	scanner, security held hand sc	B	No	Other Assets	Plant & equipment	4	4	–	–	–	–	New
0025: Environmental Health Services	Herstel muur wat besig is om te val Civic	B	No	Other Assets	Other Buildings	25	–	25	–	–	–	Renewal
0025: Environmental Health Services	air conditioner, airconditione	B	No	Other Assets	Furniture and other office equipment	44	44	–	–	–	–	New
0027: Refuse Removal Services	Boorgate vir water toetsing Storting Terrein	B	No	Infrastructure - Other	Waste Management	150	–	150	–	–	–	New
0027: Refuse Removal Services	Duine Sanitary Landfill Site (1159)	B	No	Infrastructure - Other	Waste Management	2 457	–	–	–	2 457	–	New
0027: Refuse Removal Services	Extention And Fencing (Duine Dumping Site)	B	No	Infrastructure - Other	Waste Management	416	–	416	–	–	–	New
0027: Refuse Removal Services	radio, 1 x basis radio (ontvan	B	No	Other Assets	Plant & equipment	0	0	–	–	–	–	New
0027: Refuse Removal Services	radio, 1 x motorola handradio	B	No	Other Assets	Plant & equipment	2	2	–	–	–	–	New
0027: Refuse Removal Services	radio, 5 x voertuig-radio (tra	B	No	Other Assets	Plant & equipment	15	15	–	–	–	–	New
0027: Refuse Removal Services	radio, 9 x motorola handradio'	B	No	Other Assets	Plant & equipment	16	16	–	–	–	–	New
0027: Refuse Removal Services	radio, voertuig-radio (tracer	B	No	Other Assets	Plant & equipment	3	3	–	–	–	–	New
0028: Vacuum Tank Services	Duine Sanitary Landfill Site (1159)	B	No	Infrastructure - Other	Waste Management	400	–	–	–	400	–	New
0029: Primary Health Care Services	computer, computer vir nuwe po	B	No	Other Assets	Computers - hardware/equipment	9	9	–	–	–	–	New
0029: Primary Health Care Services	computer, rekenaar vir nuwe po	B	No	Other Assets	Computers - hardware/equipment	5	5	–	–	–	–	New
0029: Primary Health Care Services	chair, c2 side no arms chairs	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0029: Primary Health Care Services	chair, pc6 paula highback chai	B	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
0029: Primary Health Care Services	desk, pine office desks	B	No	Other Assets	Furniture and other office equipment	8	8	–	–	–	–	New
0029: Primary Health Care Services	fridge, defy d240 240l metalli	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0029: Primary Health Care Services	printer, laser colour printer	B	No	Other Assets	Furniture and other office equipment	7	7	–	–	–	–	New
0029: Primary Health Care Services	printer, laser printers	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0036: Director Development Services	cabinet, cabinet 2glass&1solid	C	No	Other Assets	Furniture and other office equipment	6	6	–	–	–	–	New
0036: Director Development Services	cabinet, fiv cabinet 4-drawer	C	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0036: Director Development Services	cabinet, systems cabinet	C	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0036: Director Development Services	cabinet, two glass door wall u	C	No	Other Assets	Furniture and other office equipment	5	5	–	–	–	–	New
0036: Director Development Services	chair, chair - h/b leather	C	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0036: Director Development Services	chair, chair - mustang h/b lea	C	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0036: Director Development Services	chair, chair - mustang visitor	C	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0036: Director Development Services	chair, chair - visitor leather	C	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
0036: Director Development Services	curtain, gordyne - dir ontw	C	No	Other Assets	Furniture and other office equipment	9	9	–	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0036: Director Development Services	curtain, gordyne - sek van dir	C	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0036: Director Development Services	desk, cluster unit	C	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0036: Director Development Services	desk, conference table	C	No	Other Assets	Furniture and other office equipment	5	5	–	–	–	–	New
0036: Director Development Services	desk, few top for pedestal	C	No	Other Assets	Furniture and other office equipment	0	0	–	–	–	–	New
0036: Director Development Services	desk, pacific exec desk	C	No	Other Assets	Furniture and other office equipment	9	9	–	–	–	–	New
0036: Director Development Services	desk, pedestal 2draw 1d/f	C	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0036: Director Development Services	fridge, atlas 130l	C	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0036: Director Development Services	LED TV 32" Director Development Services	C	No	Other Assets	Furniture and other office equipment	8	–	8	–	–	–	New
0050: Parks	computer, rekenaar	B	No	Other Assets	Computers - hardware/equipment	5	5	–	–	–	–	New
0050: Parks	tydelike asds	B	No	Other Assets	Parks & gardens	16	16	–	–	–	–	New
0050: Parks	2 Drawer Deep Filler	B	No	Other Assets	Furniture and other office equipment	2	–	2	–	–	–	New
0050: Parks	cabinet wood, 2 deur kabinet	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0050: Parks	Caddie Budget V17 (Software)	B	No	Other Assets	Furniture and other office equipment	8	–	8	–	–	–	New
0050: Parks	camera, digital camera	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0050: Parks	chair, besoekers stoele	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0050: Parks	chair, kantoor stoel	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0050: Parks	Desk & Cant Leg	B	No	Other Assets	Furniture and other office equipment	4	–	4	–	–	–	New
0050: Parks	Door Credenza	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0050: Parks	MIB Back Chair	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0050: Parks	printer, printer (4 in 1)	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0050: Parks	Systems Cabinet	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
0050: Parks	table, lessenaar en 4 deur laa	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0050: Parks	Wooden Poles: Monument Park	B	No	Other Assets	Furniture and other office equipment	28	–	28	–	–	–	New
0050: Parks	bench, 5 x garden bench (mail	B	No	Other Assets	Other	9	9	–	–	–	–	New
0055: Sport Grounds	tydelike asds	B	No	Other Assets	Parks & gardens	179	179	–	–	–	–	New
0055: Sport Grounds	Fencing Paballelo Stadium	B	No	Infrastructure - Other	Other	17	–	17	–	–	–	New
0055: Sport Grounds	water and riol, re-routing se	B	No	Infrastructure - Sanitation	Sewerage purification	32	32	–	–	–	–	New
0055: Sport Grounds	buildings (pub facilities), ab	B	No	Other Assets	Other Buildings	29	29	–	–	–	–	New
0055: Sport Grounds	Cordless Drill	B	No	Other Assets	Plant & equipment	3	–	3	–	–	–	New
0055: Sport Grounds	Development of New Sportground: Lambrechtsdrift	B	No	Community	Sportsfields & stadia	3 001	–	–	–	978	2 023	New
0055: Sport Grounds	Development of New Sportground: Louisvale Dorp	B	No	Community	Sportsfields & stadia	2 787	–	–	–	2 787	–	New
0055: Sport Grounds	Development of New Sportground: Ntsikelelo	B	No	Community	Sportsfields & stadia	2 053	–	–	–	–	2 053	New
0055: Sport Grounds	fencing, fencing paballelo st	B	No	Community	Sportsfields & stadia	31	31	–	–	–	–	New
0055: Sport Grounds	Netball/Tennis Courts Paballelo Stadium (Loto)	B	No	Community	Sportsfields & stadia	8	–	8	–	–	–	New
0055: Sport Grounds	Soccer Fields Paballelo Stadium (Loto)	B	No	Community	Sportsfields & stadia	295	–	295	–	–	–	New
0055: Sport Grounds	Treated Wooden poles Union Ground Netball Court	B	No	Community	Sportsfields & stadia	11	–	11	–	–	–	New
0055: Sport Grounds	Upgrading - Kalksloot Sport Grounds (Loto)	B	No	Community	Sportsfields & stadia	1 900	–	1 900	–	–	–	New
0055: Sport Grounds	Upgrading - Karos Sport Grounds (Loto)	B	No	Community	Sportsfields & stadia	1 900	–	1 900	–	–	–	New
0056: Reits Park	Fencing: Reitzpark	B	No	Infrastructure - Other	Other	30	–	30	–	–	–	New
0056: Reits Park	trolley, water pump trolley	B	No	Other Assets	Plant & equipment	5	5	–	–	–	–	New
0057: Cemeteries	Ablusieblok, Stoor & Heining - Leerkrantz (MIG)	B	No	Community	Cemeteries	843	–	843	–	–	–	New
0057: Cemeteries	Ablusieblok, Stoor & Heining - Ntsikelelo (MIG)	B	No	Community	Cemeteries	1 070	–	1 070	–	–	–	New
0057: Cemeteries	Ablusieblok, Stoor & Heining - Paballelo (MIG)	B	No	Community	Cemeteries	2 248	–	2 248	–	–	–	New
0057: Cemeteries	water and riol	B	No	Infrastructure - Water	Reticulation	49	49	–	–	–	–	New
0057: Cemeteries	Waterpyplyn (Kameelboom Begraafplaas)(Oorrol)	B	No	Infrastructure - Water	Reticulation	23	–	23	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0057: Cemeteries	buildings (housing), toilets a	B	No	Other Assets	Other Buildings	(0)	(0)	–	–	–	–	New
0057: Cemeteries	Jackhammer Air	B	No	Other Assets	Plant & equipment	8	–	8	–	–	–	New
1004: Masincedane Library Project	computer screen, lg 18.5" wide	B	No	Other Assets	Computers - hardware/equipment	2	2	–	–	–	–	New
1004: Masincedane Library Project	computer, computer - forum	B	No	Other Assets	Computers - hardware/equipment	4	4	–	–	–	–	New
1004: Masincedane Library Project	computer, computer - hoof bibl	B	No	Other Assets	Computers - hardware/equipment	4	4	–	–	–	–	New
1004: Masincedane Library Project	laptop, laptop - hoofbibliotee	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
1004: Masincedane Library Project	laptop, laptop - pabellelo kan	B	No	Other Assets	Computers - hardware/equipment	6	6	–	–	–	–	New
1004: Masincedane Library Project	air conditioner, airconditione	B	No	Other Assets	Furniture and other office equipment	49	49	–	–	–	–	New
1004: Masincedane Library Project	cabinet computer hub, rekenaar	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
1004: Masincedane Library Project	camera, digital camera	B	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
1004: Masincedane Library Project	chair	B	No	Other Assets	Furniture and other office equipment	13	13	–	–	–	–	New
1004: Masincedane Library Project	chair, comfort chairs	B	No	Other Assets	Furniture and other office equipment	4	4	–	–	–	–	New
1004: Masincedane Library Project	chair, operator's chair	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
1004: Masincedane Library Project	chair, secretary chairs	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
1004: Masincedane Library Project	Chairs	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
1004: Masincedane Library Project	Copy Maschine x 2	B	No	Other Assets	Furniture and other office equipment	36	–	36	–	–	–	New
1004: Masincedane Library Project	Curtains (Forum Library)	B	No	Other Assets	Furniture and other office equipment	7	–	7	–	–	–	New
1004: Masincedane Library Project	desk, lessenaars	B	No	Other Assets	Furniture and other office equipment	8	8	–	–	–	–	New
1004: Masincedane Library Project	File Cabinets x 4	B	No	Other Assets	Furniture and other office equipment	6	–	6	–	–	–	New
1004: Masincedane Library Project	Guillotine	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
1004: Masincedane Library Project	Improve Containers (Rural Libraries)	B	No	Other Assets	Furniture and other office equipment	68	–	68	–	–	–	New
1004: Masincedane Library Project	Laminators x 3	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
1004: Masincedane Library Project	Pre-paid Copy Maschine	B	No	Other Assets	Furniture and other office equipment	50	–	50	–	–	–	New
1004: Masincedane Library Project	printer, printer - hoofbibliot	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
1004: Masincedane Library Project	Shelves - Rosedale Library	B	No	Other Assets	Furniture and other office equipment	40	–	40	–	–	–	New
1004: Masincedane Library Project	Shelves on wheels	B	No	Other Assets	Furniture and other office equipment	54	–	54	–	–	–	New
1004: Masincedane Library Project	Study Tables	B	No	Other Assets	Furniture and other office equipment	3	–	3	–	–	–	New
1004: Masincedane Library Project	fencing, palisade fencing - m	B	No	Other Assets	Other	70	70	–	–	–	–	New
1004: Masincedane Library Project	buildings (libraries), study a	B	No	Other Assets	Other Buildings	19	19	–	–	–	–	New
1004: Masincedane Library Project	buildings (libraries), upgradi	B	No	Other Assets	Other Buildings	15	15	–	–	–	–	New
1004: Masincedane Library Project	paving, paving -	B	No	Other Assets	Plant & equipment	7	7	–	–	–	–	New
Technical Services												
0018: Housing and Development	cabinet	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0018: Housing and Development	chair	B	No	Other Assets	Furniture and other office equipment	3	3	–	–	–	–	New
0018: Housing and Development	chair, chair - mirage h/b s/t	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0018: Housing and Development	chair, chair c3 with arms	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0018: Housing and Development	chair, chair s3000g synchro ga	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0018: Housing and Development	chair, techno 900 integral arm	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0018: Housing and Development	desk	B	No	Other Assets	Furniture and other office equipment	7	7	–	–	–	–	New
0018: Housing and Development	desk, link 1000x600 double sid	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0018: Housing and Development	pedestal, pedestal 3 draw	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0018: Housing and Development	projector, steel relic cantile	B	No	Other Assets	Furniture and other office equipment	2	2	–	–	–	–	New
0018: Housing and Development	projector, steel relic leg and	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New
0018: Housing and Development	screen, fabric screens 1600x45	B	No	Other Assets	Furniture and other office equipment	1	1	–	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0030: Town Planning and Building Control	Caddie V17 (Upgrade) (Software)	B	No	Intangibles	Computers - software & programming	15	–	15	–	–	–	New
0030: Town Planning and Building Control	Aircondition for Room 057	B	No	Other Assets	Furniture and other office equipment	6	–	6	–	–	–	Renewal
0030: Town Planning and Building Control	Office Chair for Room 073	B	No	Other Assets	Furniture and other office equipment	1	–	1	–	–	–	New
0030: Town Planning and Building Control	Plotter/Scanner/Printer vir Bouplanne	B	No	Other Assets	Furniture and other office equipment	76	–	76	–	–	–	Renewal
0037: Director Technical Services	LED TV 32" Director Technical Services	C	No	Other Assets	Furniture and other office equipment	8	–	8	–	–	–	New
0041: Streets and Stormwater Drainage	Airconditioner 18000 BTU	B	No	Other Assets	Furniture and other office equipment	6	–	6	–	–	–	Renewal
0041: Streets and Stormwater Drainage	Airconditioner 24000 BTU	B	No	Other Assets	Furniture and other office equipment	8	–	8	–	–	–	Renewal
0041: Streets and Stormwater Drainage	Connection road between Rosedale and Paballelo	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	19 079	–	1 900	8 876	8 303	–	New
0041: Streets and Stormwater Drainage	Herseel Van Strale (Phase 1) (Oorrol)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	5 870	–	5 870	–	–	–	Renewal
0041: Streets and Stormwater Drainage	Kalksloot Access Road (MIG)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	2 068	–	1 000	1 068	–	–	New
0041: Streets and Stormwater Drainage	Lengthen & tar Dakota Road for heavy vehicles	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	3 681	–	3 500	181	–	–	New
0041: Streets and Stormwater Drainage	Louisvale Dorp Access Road (MIG)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	2 025	–	2 025	–	–	–	New
0041: Streets and Stormwater Drainage	pavements	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	1 291	1 291	–	–	–	–	New
0041: Streets and Stormwater Drainage	paving	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	5 291	5 291	–	–	–	–	New
0041: Streets and Stormwater Drainage	Paving Streets Paballelo (EPWP Project)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	4 344	–	2 414	1 930	–	–	New
0041: Streets and Stormwater Drainage	paving, verbindingspad (mornin	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	13	13	–	–	–	–	New
0041: Streets and Stormwater Drainage	Plavei Van Strale (Manne Depico&Sishuba)(Oorrol)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	738	–	738	–	–	–	New
0041: Streets and Stormwater Drainage	Plavei Van Toegangspad (Leseding)(MIG)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	1 984	–	1 234	750	–	–	New
0041: Streets and Stormwater Drainage	Raaswater Access Road (MIG)	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	1 978	–	1 000	978	–	–	New
0041: Streets and Stormwater Drainage	Resealing of street	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	7 500	–	5 000	2 500	–	–	Renewal
0041: Streets and Stormwater Drainage	Second entrance to Paballelo	B	No	Infrastructure - Road transport	Roads, Pavements & Bridges	3 760	–	3 760	–	–	–	New
0041: Streets and Stormwater Drainage	Upgrade CBD storm water system	B	No	Infrastructure - Road transport	Storm water	2 300	–	690	1 610	–	–	New
0041: Streets and Stormwater Drainage	pavements, toeganklike syaadj	B	No	Other Assets	Other	(6)	(6)	–	–	–	–	New
0042: Workshop	airconditioner	B	No	Other Assets	Furniture and other office equipment	6	–	6	–	–	–	New
0042: Workshop	2 Ton Trolley Jack	B	No	Other Assets	Plant & equipment	29	–	29	–	–	–	New
0042: Workshop	3 Ton Trolley Jack	B	No	Other Assets	Plant & equipment	6	–	6	–	–	–	New
0042: Workshop	Bearing Adaptor Set	B	No	Other Assets	Plant & equipment	2	–	2	–	–	–	New
0042: Workshop	Bearing Puller Set	B	No	Other Assets	Plant & equipment	2	–	2	–	–	–	New
0042: Workshop	Blind Bearing Puller Set	B	No	Other Assets	Plant & equipment	1	–	1	–	–	–	New
0042: Workshop	Boroscope	B	No	Other Assets	Plant & equipment	2	–	2	–	–	–	New
0042: Workshop	Brake Plessure Bleeder	B	No	Other Assets	Plant & equipment	1	–	1	–	–	–	New
0042: Workshop	Brake Spreader Kit	B	No	Other Assets	Plant & equipment	1	–	1	–	–	–	New
0042: Workshop	diagnostic ste, diagnostic tes	B	No	Other Assets	Plant & equipment	45	45	–	–	–	–	New
0042: Workshop	Engine Support	B	No	Other Assets	Plant & equipment	1	–	1	–	–	–	New
0042: Workshop	Fuel Injection Test Kit	B	No	Other Assets	Plant & equipment	2	–	2	–	–	–	New
0042: Workshop	Improvements At Workshop	B	No	Other Assets	Plant & equipment	2 000	–	2 000	–	–	–	New
0042: Workshop	John Vice	B	No	Other Assets	Plant & equipment	2	–	2	–	–	–	New
0042: Workshop	MIC Set 0-300MM	B	No	Other Assets	Plant & equipment	6	–	6	–	–	–	New
0042: Workshop	Oil Evacuator 80L	B	No	Other Assets	Plant & equipment	6	–	6	–	–	–	New
0042: Workshop	Radiator Pressure Tester	B	No	Other Assets	Plant & equipment	3	–	3	–	–	–	New
0042: Workshop	Slide Hammer Puller Set	B	No	Other Assets	Plant & equipment	1	–	1	–	–	–	New
0042: Workshop	Tool Trolley	B	No	Other Assets	Plant & equipment	18	–	18	–	–	–	New
0042: Workshop	Wireless Noise Tester	B	No	Other Assets	Plant & equipment	3	–	3	–	–	–	New
0042: Workshop	Workshop tools	B	No	Other Assets	Plant & equipment	29	–	29	–	–	–	New
0044: Main Roads	pump (sewer), 2 x flygt dompel	B	No	Infrastructure - Sanitation	Reticalution	127	127	–	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0044: Main Roads	pump (sewer), new pump sewerag	B	No	Infrastructure - Sanitation	Reticulation	64	64	–	–	–	–	New
0044: Main Roads	pump station control panel, op	B	No	Infrastructure - Sanitation	Reticulation	15	15	–	–	–	–	New
0045: Sewerage Purification Plant	Airconditioner Breezair CPL1100	B	No	Other Assets	Furniture and other office equipment	24	–	24	–	–	–	New
0045: Sewerage Purification Plant	Extension Of Louisvale Road Sewerage Works (Mig) (115	B	No	Infrastructure - Sanitation	Reticulation	3 809	–	–	3 809	–	–	New
0045: Sewerage Purification Plant	Refurbishment and Upgrading of Kameelmond WWTW	B	No	Infrastructure - Sanitation	Reticulation	18 623	–	–	–	4 879	13 744	New
0045: Sewerage Purification Plant	Vervang Uitgediende Pompe, Skakeltuig, Kleppe	B	No	Infrastructure - Sanitation	Reticulation	377	–	377	–	–	–	Renewal
0045: Sewerage Purification Plant	1 x drukker (vervanging) crr	B	No	Other Assets	Plant & equipment	21	–	21	–	–	–	Renewal
0045: Sewerage Purification Plant	Chloorskaal (Riolsuiveringswerke	B	No	Other Assets	Plant & equipment	2	–	2	–	–	–	New
0046: Transport	Magic Key Software	B	No	Intangibles	Computers - software & programming	14	–	14	–	–	–	New
0046: Transport	1 Ton 2.4 2X4 Lav Met Kappie	B	No	Other Assets	General vehicles	191	–	191	–	–	–	New
0046: Transport	1 Ton 2X4 Lav	B	No	Other Assets	General vehicles	366	–	366	–	–	–	New
0046: Transport	1 Ton 2X4 Lav Met Polisie Tipe Kappie	B	No	Other Assets	General vehicles	553	–	553	–	–	–	New
0046: Transport	1 Ton Lav Met Kappie (0033)	B	No	Other Assets	General vehicles	381	–	381	–	–	–	New
0046: Transport	1.3 Ton 2.6 Diesel Trok Met Valkant	B	No	Other Assets	General vehicles	148	–	148	–	–	–	New
0046: Transport	1.4 500Kg Lav	B	No	Other Assets	General vehicles	476	–	476	–	–	–	New
0046: Transport	1.4 500Kg Lav Met Kappie	B	No	Other Assets	General vehicles	125	–	125	–	–	–	New
0046: Transport	1.4 500Kg Lav Met Kappie En Leerrak	B	No	Other Assets	General vehicles	129	–	129	–	–	–	New
0046: Transport	1.4 Sedan (Hatch Back	B	No	Other Assets	General vehicles	141	–	141	–	–	–	New
0046: Transport	1.4 Sedan (Hatch Back)	B	No	Other Assets	General vehicles	423	–	423	–	–	–	New
0046: Transport	1.6 500 Kg LAW (0042)	B	No	Other Assets	General vehicles	136	–	–	–	136	–	Renewal
0046: Transport	1.6 500 Kg LAW (0048) (Vakante Pos)	B	No	Other Assets	General vehicles	136	–	–	136	–	–	New
0046: Transport	1.6 500 Kg LAW (0050)	B	No	Other Assets	General vehicles	136	–	–	–	136	–	Renewal
0046: Transport	1.6 500 Kg LAW voldeur Kappie (0025) (Vakante Pos)	B	No	Other Assets	General vehicles	144	–	–	144	–	–	New
0046: Transport	1.6 500kg Law (0018)	B	No	Other Assets	General vehicles	134	–	134	–	–	–	New
0046: Transport	1.6 500kg Law (0020)	B	No	Other Assets	General vehicles	134	–	134	–	–	–	New
0046: Transport	1.6 500kg Law (0028)	B	No	Other Assets	General vehicles	268	–	268	–	–	–	New
0046: Transport	1.6 500kg Law (0029)	B	No	Other Assets	General vehicles	134	–	134	–	–	–	New
0046: Transport	1.6 500kg Law (0034)	B	No	Other Assets	General vehicles	134	–	134	–	–	–	New
0046: Transport	1.6 500kg Law (0042)	B	No	Other Assets	General vehicles	134	–	134	–	–	–	New
0046: Transport	1.6 500kg Law (0059)	B	No	Other Assets	General vehicles	134	–	134	–	–	–	New
0046: Transport	1.6 500kg Law met kappie (0007)	B	No	Other Assets	General vehicles	144	–	144	–	–	–	New
0046: Transport	1.6 Hatch Back (0008)	B	No	Other Assets	General vehicles	179	–	179	–	–	–	New
0046: Transport	1.6 Hatch Back (0018)	B	No	Other Assets	General vehicles	179	–	179	–	–	–	New
0046: Transport	1.6 Hatch Back (0021)	B	No	Other Assets	General vehicles	179	–	179	–	–	–	New
0046: Transport	1.6 Hatch Back (0029)	B	No	Other Assets	General vehicles	358	–	358	–	–	–	New
0046: Transport	1.6 Sedan (0001)	B	No	Other Assets	General vehicles	220	–	220	–	–	–	New
0046: Transport	1.6 Sedan Verkeersvoertuig	B	No	Other Assets	General vehicles	143	–	143	–	–	–	New
0046: Transport	2 Ton Crew Cab Trok met Drarak (0048) (Vakante Pos)	B	No	Other Assets	General vehicles	1 400	–	–	1 400	–	–	New
0046: Transport	2 Ton Crew Cab Trok met Drarak (0067)	B	No	Other Assets	General vehicles	350	–	–	350	–	–	Renewal
0046: Transport	2.0 1 000 Kg Hi Rider LAW (0042)	B	No	Other Assets	General vehicles	190	–	–	–	190	–	New
0046: Transport	2.0 1 000 Kg LAW (0027) (Vakante Pos)	B	No	Other Assets	General vehicles	180	–	–	–	180	–	New
0046: Transport	2.0 1 000 Kg LAW (0041)	B	No	Other Assets	General vehicles	180	–	–	–	180	–	Renewal
0046: Transport	2.0 1 000 Kg LAW (0042)	B	No	Other Assets	General vehicles	180	–	–	–	180	–	Renewal
0046: Transport	2.0 1 000 Kg LAW (0062)	B	No	Other Assets	General vehicles	360	–	–	–	360	–	Renewal
0046: Transport	2.0 1000kg Law (0040)	B	No	Other Assets	General vehicles	170	–	170	–	–	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	New or renewal
0046: Transport	2.0 1000kg Law (0041)	B	No	Other Assets	General vehicles	680	—	680	—	—	—	New
0046: Transport	2.0 1000kg Law (0047)	B	No	Other Assets	General vehicles	170	—	170	—	—	—	New
0046: Transport	2.0 1000kg Law met kappie (0049)	B	No	Other Assets	General vehicles	180	—	180	—	—	—	New
0046: Transport	2.0 1000kg Law met kappie met dakrak (0048)	B	No	Other Assets	General vehicles	555	—	555	—	—	—	New
0046: Transport	2.0 1000kg Law met trailies (0001)	B	No	Other Assets	General vehicles	170	—	170	—	—	—	New
0046: Transport	2.0 1000kg Law met trailies (0002)	B	No	Other Assets	General vehicles	170	—	170	—	—	—	New
0046: Transport	2.4 4x4 1000kg Law (0041)	B	No	Other Assets	General vehicles	225	—	225	—	—	—	New
0046: Transport	2.5 Kub Laaigraaf	B	No	Other Assets	General vehicles	1 204	—	1 204	—	—	—	New
0046: Transport	4 Ton Lift Platform Trok	B	No	Other Assets	General vehicles	492	—	492	—	—	—	New
0046: Transport	7 000 L Vacuum Tanker (0028)	B	No	Other Assets	General vehicles	1 900	—	—	950	950	—	Renewal
0046: Transport	8 Ton 15 Kub Compactor Trok (0027)	B	No	Other Assets	General vehicles	3 135	—	3 135	—	—	—	New
0046: Transport	8 Ton 15 Kub Heil Compactor	B	No	Other Assets	General vehicles	1 443	—	1 443	—	—	—	New
0046: Transport	8 Ton 6 kub Tipper Trok (0041)	B	No	Other Assets	General vehicles	2 263	—	2 263	—	—	—	New
0046: Transport	8 Ton 7,500L Watertrók	B	No	Other Assets	General vehicles	816	—	816	—	—	—	New
0046: Transport	8 Ton Tipper Truck	B	No	Other Assets	General vehicles	754	—	754	—	—	—	New
0046: Transport	8000 Lt Vakuum Tanker Trok (0026)	B	No	Other Assets	General vehicles	1 285	—	1 285	—	—	—	New
0046: Transport	Campaign Truck	B	No	Other Assets	General vehicles	3 000	—	—	—	3 000	—	New
0046: Transport	Digger Loader (TLB) (0041)	B	No	Other Assets	General vehicles	700	—	—	700	—	—	New
0046: Transport	Hammer (Krupp) (0067)	B	No	Other Assets	General vehicles	500	—	—	500	—	—	New
0046: Transport	Mobiele Kraan (0042)	B	No	Other Assets	General vehicles	680	—	—	680	—	—	Renewal
0046: Transport	Skip Onderstel (0027)	B	No	Other Assets	General vehicles	250	—	—	—	250	—	New
0046: Transport	Sport Utility Vehicle (SUV) (0002)	B	No	Other Assets	General vehicles	650	—	650	—	—	—	New
0046: Transport	tractor, trekker (40 kw)(0057)	B	No	Other Assets	General vehicles	155	155	—	—	—	—	New
0046: Transport	tractor, trekker met laaigraaf	B	No	Other Assets	General vehicles	249	249	—	—	—	—	New
0046: Transport	Trekker (0041)	B	No	Other Assets	General vehicles	1 115	—	615	—	500	—	Renewal
0046: Transport	Trekker (0050)	B	No	Other Assets	General vehicles	307	—	307	—	—	—	New
0046: Transport	Trekker (0055)	B	No	Other Assets	General vehicles	154	—	154	—	—	—	New
0046: Transport	trucks/bakkies, 4 x 4 dubbelka	B	No	Other Assets	General vehicles	258	258	—	—	—	—	New
0046: Transport	trucks/bakkies, 500 kg law (oo	B	No	Other Assets	General vehicles	103	103	—	—	—	—	New
0046: Transport	trucks/bakkies, 500 kg law met	B	No	Other Assets	General vehicles	108	108	—	—	—	—	New
0046: Transport	water pump machine, draagbare	B	No	Other Assets	General vehicles	95	95	—	—	—	—	New
0046: Transport	buildings (offices), server ro	B	No	Other Assets	Other Buildings	65	65	—	—	—	—	New
0046: Transport	blower, 1.5m blower mower	B	No	Other Assets	Plant & equipment	30	30	—	—	—	—	New
0046: Transport	Bull Dozer	B	No	Other Assets	Plant & equipment	2 599	—	2 599	—	—	—	New
0046: Transport	chainsaw, kettingsaag	B	No	Other Assets	Plant & equipment	10	10	—	—	—	—	New
0046: Transport	lawn mower, 3 x walk behind mo	B	No	Other Assets	Plant & equipment	52	52	—	—	—	—	New
0046: Transport	lawn mower, 510mm verticut sca	B	No	Other Assets	Plant & equipment	24	24	—	—	—	—	New
0046: Transport	lawn mower, walk behind self p	B	No	Other Assets	Plant & equipment	51	51	—	—	—	—	New
0046: Transport	lawn mower, zero turn ride-on	B	No	Other Assets	Plant & equipment	110	110	—	—	—	—	New
0046: Transport	Roller - Bomag (0041)	B	No	Other Assets	Plant & equipment	83	—	83	—	—	—	New
0046: Transport	sprayer, 3 point sprayer	B	No	Other Assets	Plant & equipment	30	30	—	—	—	—	New
0046: Transport	water pump machine, water pump	B	No	Other Assets	Plant & equipment	2	2	—	—	—	—	New
0046: Transport	Refurbish 4x4 Off Road Vehicle (Brandweer)	B	No	Other Assets	Specialised vehicles - Fire	650	—	—	—	650	—	Renewal
0046: Transport	Refurbish Pumper Vehicle (Brandweer)	B	No	Other Assets	Specialised vehicles - Fire	1 200	—	—	—	1 200	—	Renewal
0046: Transport	Response / Rescue Vehicle	B	No	Other Assets	Specialised vehicles - Fire	982	—	982	—	—	—	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0046: Transport	8 Ton 6 kub Tipper Trok (0027)	B	No	Other Assets	Specialised vehicles - Refuse	840	–	–	840	–	–	New
0046: Transport	Kompakteerder (Stortingsterrein) (0027)	B	No	Other Assets	Specialised vehicles - Refuse	3 000	–	–	–	3 000	–	Renewal
0048: Sewerage Distribution Networks	Enlarge main sewerage drainage line	B	No	Infrastructure - Sanitation	Reticulation	8 585	–	480	5 000	3 105	–	New
0048: Sewerage Distribution Networks	Enlarge Upton Main Sewerline (1156)	B	No	Infrastructure - Sanitation	Reticulation	5 002	–	–	–	–	5 002	New
0048: Sewerage Distribution Networks	Upgrade Main Sewerage Line (Dawid Street, Pab)	B	No	Infrastructure - Sanitation	Reticulation	355	–	355	–	–	–	Renewal
0048: Sewerage Distribution Networks	Verlenging Van Riioolyn (Myles, Keidebees)	B	No	Infrastructure - Sanitation	Reticulation	55	–	55	–	–	–	Renewal
0048: Sewerage Distribution Networks	Water & Rioldienste 81 Erwe (Corrol)	B	No	Infrastructure - Sanitation	Reticulation	929	–	929	–	–	–	New
0048: Sewerage Distribution Networks	sewerage network, hoofriool	B	No	Infrastructure - Sanitation	Sewerage purification	944	944	–	–	–	–	New
0048: Sewerage Distribution Networks	sewerage network	B	No	Infrastructure - Water	Reticulation	1 008	1 008	–	–	–	–	New
0059: Electricity Administration	11 Kv Verbinding (Alpha / Charlie Sub)(Corrol)	B	No	Infrastructure - Electricity	Transmission & Reticulation	39	–	39	–	–	–	New
0059: Electricity Administration	11kV feeder from BS4 to DS	B	No	Infrastructure - Electricity	Transmission & Reticulation	6 000	–	6 000	–	–	–	New
0059: Electricity Administration	11kV feeder from Charlie substation to CS2	B	No	Infrastructure - Electricity	Transmission & Reticulation	6 000	–	6 000	–	–	–	New
0059: Electricity Administration	electricity network	B	No	Infrastructure - Electricity	Transmission & Reticulation	2 504	2 504	–	–	–	–	New
0059: Electricity Administration	electricity network, addisionel	B	No	Infrastructure - Electricity	Transmission & Reticulation	95	95	–	–	–	–	New
0059: Electricity Administration	electricity network, elektrifis	B	No	Infrastructure - Electricity	Transmission & Reticulation	1 062	1 062	–	–	–	–	New
0059: Electricity Administration	electricity network, netwerkopg	B	No	Infrastructure - Electricity	Transmission & Reticulation	231	231	–	–	–	–	New
0059: Electricity Administration	electricity network, opgradeer	B	No	Infrastructure - Electricity	Transmission & Reticulation	84	84	–	–	–	–	New
0059: Electricity Administration	electricity network, ringbevoe	B	No	Infrastructure - Electricity	Transmission & Reticulation	567	567	–	–	–	–	New
0059: Electricity Administration	Electrical Services for CTHC Development	B	No	Infrastructure - Electricity	Transmission & Reticulation	9 178	–	459	8 719	–	–	New
0059: Electricity Administration	Elektrifisering 256 Huise (INEP)	B	No	Infrastructure - Electricity	Transmission & Reticulation	1 829	–	1 829	–	–	–	New
0059: Electricity Administration	Elektrifisering 256 Huise (Raad)	B	No	Infrastructure - Electricity	Transmission & Reticulation	2 240	–	2 240	–	–	–	New
0059: Electricity Administration	Elektrifisering 61 Huise (Raad Deel)(Corrol)	B	No	Infrastructure - Electricity	Transmission & Reticulation	159	–	159	–	–	–	New
0059: Electricity Administration	Elektrifisering aansluiting: Erf 11765 na Poskanbor	B	No	Infrastructure - Electricity	Transmission & Reticulation	3	–	3	–	–	–	New
0059: Electricity Administration	Elektrifisering aansluiting: Erf 3389	B	No	Infrastructure - Electricity	Transmission & Reticulation	12	–	12	–	–	–	New
0059: Electricity Administration	Fencing of mini-subs in Smarties Valley	B	No	Infrastructure - Electricity	Transmission & Reticulation	14	–	14	–	–	–	New
0059: Electricity Administration	High Mast Lighting (Rosedale & Paballelo)(MIG)	B	No	Infrastructure - Electricity	Transmission & Reticulation	2 770	–	2 770	–	–	–	New
0059: Electricity Administration	meter (pre paid), skuif vooraf	B	No	Infrastructure - Electricity	Transmission & Reticulation	2	2	–	–	–	–	New
0059: Electricity Administration	meter (pre paid), vooruitbetaal	B	No	Infrastructure - Electricity	Transmission & Reticulation	27	27	–	–	–	–	New
0059: Electricity Administration	Netwerke (Nuwe Ontwikkelings)(Corrol)	B	No	Infrastructure - Electricity	Transmission & Reticulation	7	–	7	–	–	–	New
0059: Electricity Administration	Netwerkopgradering (Sentrale Sake Gebied)(Orol)	B	No	Infrastructure - Electricity	Transmission & Reticulation	180	–	180	–	–	–	New
0059: Electricity Administration	Nuwe Vooruitbetaalmeters	B	No	Infrastructure - Electricity	Transmission & Reticulation	103	–	20	25	28	30	New
0059: Electricity Administration	Opgradeer Hooftbevoernetwerk	B	No	Infrastructure - Electricity	Transmission & Reticulation	1 455	–	1 455	–	–	–	New
0059: Electricity Administration	opgradeer miniatuur substasie	B	No	Infrastructure - Electricity	Transmission & Reticulation	7	7	–	–	–	–	New
0059: Electricity Administration	Skuif Vooruitbetaalmeters Na Nuwe Huise	B	No	Infrastructure - Electricity	Transmission & Reticulation	706	–	706	–	–	–	New
0059: Electricity Administration	street lights, straatligte (st	B	No	Infrastructure - Electricity	Transmission & Reticulation	123	123	–	–	–	–	New
0059: Electricity Administration	substation, opgradeer substasi	B	No	Infrastructure - Electricity	Transmission & Reticulation	1 110	1 110	–	–	–	–	New
0059: Electricity Administration	tydelike asds	B	No	Infrastructure - Electricity	Transmission & Reticulation	2 034	2 034	–	–	–	–	New
0059: Electricity Administration	Upgrading of networks	B	No	Infrastructure - Electricity	Transmission & Reticulation	400	–	400	–	–	–	New
0059: Electricity Administration	Vooruitbetaalmeters (Hulpbehoewendes)	B	No	Infrastructure - Electricity	Transmission & Reticulation	108	–	25	25	28	30	New
0059: Electricity Administration	street lights	B	No	Infrastructure - Electricity	Street Lighting	136	136	–	–	–	–	New
0059: Electricity Administration	street lights, hoemasbeligting	B	No	Infrastructure - Electricity	Street Lighting	3 258	3 258	–	–	–	–	New
0059: Electricity Administration	street lights, straatligte (ko	B	No	Infrastructure - Electricity	Street Lighting	121	121	–	–	–	–	New
0059: Electricity Administration	11 kV Overhead Feeder from Alpha Substation to DS2	B	No	Infrastructure - Electricity	Transmission & Reticulation	1 800	–	–	–	1 800	–	New
0059: Electricity Administration	Electrification projects of new Developments. 125 Connections In Paballelo	B	No	Infrastructure - Electricity	Transmission & Reticulation	2 000	–	–	2 000	–	–	New
0059: Electricity Administration	Electrification projects of new Developments. 350 Connections in Rosedale (North)	B	No	Infrastructure - Electricity	Transmission & Reticulation	5 600	–	–	3 200	2 400	–	New

Table 62 MBRR SA36: Detailed capital budget per municipal vote (continued)

Municipal Vote / Capital project / R thousand	Program/Project description	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project info
							Audited Outcome 2010/11	Current Year 2011/12 Full Year	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
0059: Electricity Administration	Electrification projects of new Developments. 375 Connections in Paballelo	B	No	Infrastructure - Electricity	Transmission & Reticulation	6 000	–	–	–	6 000	–	New
0059: Electricity Administration	Electrification projects of new Developments. 324 Connections in Smarte Valley	B	No	Infrastructure - Electricity	Transmission & Reticulation	5 184	–	–	–	–	5 184	New
0059: Electricity Administration	Electrification projects of new Developments. 455 Connections in Rosedale (West)	B	No	Infrastructure - Electricity	Transmission & Reticulation	7 280	–	–	–	–	7 280	New
0059: Electricity Administration	Electrification projects of new developments. 475 Connection in Rosedale (South)	B	No	Infrastructure - Electricity	Transmission & Reticulation	7 600	–	–	7 600	–	–	New
0059: Electricity Administration	Equipment for monitoring of supply quality	B	No	Infrastructure - Electricity	Transmission & Reticulation	350	–	–	350	–	–	New
0059: Electricity Administration	Upgrade Main Supply Network and Connection to Delta Substation	B	No	Infrastructure - Electricity	Transmission & Reticulation	1 107	–	–	1 107	–	–	New
0066: Water Production	Bou van muur en maak van pad vir vlotby Raaswater	B	No	Infrastructure - Water	Dams & Reservoirs	500	–	–	500	–	–	New
0066: Water Production	Setup tanks algae treatment & Filters water works	B	No	Infrastructure - Water	Dams & Reservoirs	8 226	–	2 800	5 426	–	–	New
0066: Water Production	Opgradeer Leseding Watersuiweringswerke	B	No	Infrastructure - Water	Reticulation	60	–	60	–	–	–	New
0066: Water Production	Opgradeer Ntsikelelo Watersuiweringswerke	B	No	Infrastructure - Water	Reticulation	60	–	60	–	–	–	New
0066: Water Production	Pomp by Water	B	No	Infrastructure - Water	Reticulation	800	–	800	–	–	–	New
0066: Water Production	Provide water on occupied residential sites.	B	No	Infrastructure - Water	Reticulation	300	–	300	–	–	–	New
0066: Water Production	Replace worn-out water pipelines	B	No	Infrastructure - Water	Reticulation	100	–	100	–	–	–	Renewal
0066: Water Production	sewer disposal works, opgrader	B	No	Infrastructure - Water	Reticulation	1 307	1 307	–	–	–	–	New
0066: Water Production	Vervang Uitgediende Pompe	B	No	Infrastructure - Water	Reticulation	100	–	100	–	–	–	Renewal
0066: Water Production	Vervang Uitgediende Pompe, Skakeltuig, Kleppe	B	No	Infrastructure - Water	Reticulation	230	–	230	–	–	–	Renewal
0066: Water Production	water and riol, leseding opga	B	No	Infrastructure - Water	Reticulation	20	20	–	–	–	–	New
0067: Water Distribution	Civil Services Infrastructure for CTHC Project	B	No	Infrastructure - Water	Reticulation	7 825	–	391	7 434	–	–	New
0067: Water Distribution	Install Water Meters (Pab, R/Dale & L/W)	B	No	Infrastructure - Water	Reticulation	6 042	–	4 961	1 080	–	–	New
0067: Water Distribution	meter (pre paid), infasering v	B	No	Infrastructure - Water	Reticulation	38	38	–	–	–	–	New
0067: Water Distribution	Provide water on occupied residential sites	B	No	Infrastructure - Water	Reticulation	900	–	–	300	300	300	Renewal
0067: Water Distribution	Replace worn-out water pipelines	B	No	Infrastructure - Water	Reticulation	900	–	–	300	300	300	Renewal
0067: Water Distribution	water and riol	B	No	Infrastructure - Water	Reticulation	608	608	–	–	–	–	New
0067: Water Distribution	water and riol, installasie v	B	No	Infrastructure - Water	Reticulation	80	80	–	–	–	–	New
0067: Water Distribution	Wateraansluitings (425 Erwe Paballelo)	B	No	Infrastructure - Water	Reticulation	6 100	–	–	6 100	–	–	New
0067: Water Distribution	Waternetwerke (Paballelo En Rosedale Plakkers)	B	No	Infrastructure - Water	Reticulation	1 892	–	1 892	–	–	–	New
Parent Capital expenditure							33 313	106 336	81 028	49 021	58 254	
Entities:												
Entity Capital expenditure							–	–	–	–	–	
Total Capital expenditure							33 313	106 336	81 028	49 021	58 254	

Table 63 MBRR SA37 - Projects delayed from previous financial year

Municipal Vote / Capital project / R thousand	Project Name	Asset Class	Asset Sub-Class	Previous target year to complete Year	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
					Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality:									
Municipal Manager									
0002:Municipal Council	Wyk 01: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	161	161	-	-	-
0002:Municipal Council	Wyk 02: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	400	400	-	-	-
0002:Municipal Council	Wyk 03: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	277	277	-	-	-
0002:Municipal Council	Wyk 04: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	158	158	-	-	-
0002:Municipal Council	Wyk 05: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	460	460	-	-	-
0002:Municipal Council	Wyk 06: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	100	100	-	-	-
0002:Municipal Council	Wyk 07: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	101	101	-	-	-
0002:Municipal Council	Wyk 08: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	500	500	-	-	-
0002:Municipal Council	Wyk 09: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	425	425	-	-	-
0002:Municipal Council	Wyk 10: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	213	213	-	-	-
0002:Municipal Council	Wyk 11: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	131	131	-	-	-
0002:Municipal Council	Wyk 12: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	118	118	-	-	-
0002:Municipal Council	Wyk 13: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	262	262	-	-	-
0002:Municipal Council	Wyk 14: Nie-Toegekende Wyksprojekte	Infrastructure - Other	Other	30 June 2011	348	348	-	-	-
0011:Municipal Manager	Unallocated Assets (Administration)	Other Assets	Other	30 June 2011	3 525	3 525	-	-	-
0031:Local Economic Development	Car Parks, Bus Terminals & Taxi Ranks	Infrastructure - Transportation	Car Parks, Bus Terminals & Taxi Ranks	30 June 2011	510	510	-	-	-
Corporate Services									
0004:Property Administration	Electrification ND Swartz Offices	Infrastructure - Other	Other	30 June 2011	27	27	-	-	-
Development Services									
0020:Traffic Services	Brake Testing Machine	Other Assets	Plant & equipment	30 June 2011	248	248	-	-	-
Technical Services									
0041:Streets and Stormwater Drainage	Plavei van Toegangspad (Leseding) (MIG)	Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	427	427	-	-	-
0041:Streets and Stormwater Drainage	Herseel van State (Oorrol)	Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	4 970	4 970	-	-	-
0041:Streets and Stormwater Drainage		Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	738	738	-	-	-
0041:Streets and Stormwater Drainage	Teer van State (Keidebees) (Oorrol)	Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	234	234	-	-	-
0041:Streets and Stormwater Drainage	Paving Streets Paballelo (EPWP Project)	Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	4 614	4 614	-	-	-
0041:Streets and Stormwater Drainage	Lengthen & Tar Dakota Road for Heavy Vehicles	Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	5 600	5 600	-	-	-
0042: Workshop	Improvements at Workshop	Other Assets	Plant & equipment	30 June 2011	2 000	2 000	-	-	-
0044: Main Roads	Herseel van Paaie (Oorrol)	Infrastructure - Road transport	Roads, Pavements & Bridges	30 June 2011	900	900	-	-	-
0045: Sewerage Purification Plant	Vervang Uitgediende Pompe, Skakeltuig en Kleppe	Infrastructure - Sanitation	Reticalation	30 June 2011	377	377	-	-	-
0045: Sewerage Purification Plant	Opgradering van Vlakbeheer (Oorrol)	Infrastructure - Sanitation	Reticalation	30 June 2011	96	96	-	-	-
0045: Sewerage Purification Plant	Telemtriesestelsel (Hoopompstasies) (Oorrol)	Infrastructure - Sanitation	Reticalation	30 June 2011	115	115	-	-	-
0046: Transport	1 Ton 2.4 2X4 LAV met Kappie	Other Assets	General Vehicles	30 June 2011	191	191	-	-	-

Table 63 MBRR SA37 - Projects delayed from previous financial year (continued)

Municipal Vote / Capital project / R thousand	Project Name	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
					Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
				Year					
0046: Transport	1 Ton 2.4 2X4 LAV	Other Assets	Plant & equipment	30 June 2011	183	183	–	–	–
0046: Transport	1 Ton 2.4 2X4 LAV	Other Assets	Plant & equipment	30 June 2011	183	183	–	–	–
0046: Transport	1 Ton 2.4 2X4 LAV met Polisie Tipe Kappie	Other Assets	Plant & equipment	30 June 2011	184	184	–	–	–
0046: Transport	1 Ton 2.4 2X4 LAV met Polisie Tipe Kappie	Other Assets	Plant & equipment	30 June 2011	184	184	–	–	–
0046: Transport	1 Ton 2.4 2X4 LAV met Polisie Tipe Kappie	Other Assets	Plant & equipment	30 June 2011	185	185	–	–	–
0046: Transport	1 Ton LAV met Kappie (0033)	Other Assets	Plant & equipment	30 June 2011	381	381	–	–	–
0046: Transport	1.3 Ton 2.6 Diesel Trok met Valkant	Other Assets	Plant & equipment	30 June 2011	148	148	–	–	–
0046: Transport	1.4 500 Kg LAV met Kappie en Leerrak	Other Assets	Plant & equipment	30 June 2011	129	129	–	–	–
0046: Transport	1.4 500 Kg LAV	Other Assets	Plant & equipment	30 June 2011	119	119	–	–	–
0046: Transport	1.4 500 Kg LAV	Other Assets	Plant & equipment	30 June 2011	119	119	–	–	–
0046: Transport	1.4 500 Kg LAV	Other Assets	Plant & equipment	30 June 2011	119	119	–	–	–
0046: Transport	1.4 500 Kg LAV	Other Assets	Plant & equipment	30 June 2011	119	119	–	–	–
0046: Transport	1.4 500 Kg LAV met Kappie	Other Assets	Plant & equipment	30 June 2011	125	125	–	–	–
0046: Transport	1.4 Sedan (Hatch Back)	Other Assets	Plant & equipment	30 June 2011	141	141	–	–	–
0046: Transport	1.4 Sedan (Hatch Back)	Other Assets	Plant & equipment	30 June 2011	141	141	–	–	–
0046: Transport	1.4 Sedan (Hatch Back)	Other Assets	Plant & equipment	30 June 2011	141	141	–	–	–
0046: Transport	1.4 Sedan (Hatch Back)	Other Assets	Plant & equipment	30 June 2011	141	141	–	–	–
0046: Transport	1.6 Sedan Verkeersvoertuig	Other Assets	Plant & equipment	30 June 2011	143	143	–	–	–
0046: Transport	2.5 Kub Laaigraaf	Other Assets	Plant & equipment	30 June 2011	1 200	1 200	–	–	–
0046: Transport	4 Ton Lift Platform Trok	Other Assets	Plant & equipment	30 June 2011	490	490	–	–	–
0046: Transport	8 Ton 15 Hub Hell Compactor	Other Assets	Plant & equipment	30 June 2011	1 900	1 900	–	–	–
0046: Transport	8 Ton 7,500 L Watertrok	Other Assets	Plant & equipment	30 June 2011	733	733	–	–	–
0046: Transport	8 Ton Tipper Truck	Other Assets	Plant & equipment	30 June 2011	750	750	–	–	–
0046: Transport	Response / Rescue Vehicle	Other Assets	Special Vehicle	30 June 2011	1 100	1 100	–	–	–
0046: Transport	Bull Dozer	Other Assets	Plant & equipment	30 June 2011	3 000	3 000	–	–	–
0048: Sewerage Distribution Networks	Upgrade Main Sewerage Line (Dawid Street, Pab)	Infrastructure - Sanitation	Reticulation	30 June 2011	355	355	–	–	–
0048: Sewerage Distribution Networks	Verlenging van Riioolyn (Myles, Keidebees)	Infrastructure - Sanitation	Reticulation	30 June 2011	55	55	–	–	–
0048: Sewerage Distribution Networks	Water & Riiooldienste 81 Erwe (Oorrol)	Sewerage Purification Plant	Infrastructure - Sanitation	30 June 2011	929	929	–	–	–
0055: Sport Grounds	Netball / Tennis Courts Paballelo Stadium (Lotto)	Community	Sportfields & Stadia	30 June 2011	41	41	–	–	–
0055: Sport Grounds	Soccer Fields Paballelo Stadium (Lotto)	Community	Streets and Stormwater Drainage	30 June 2011	295	295	–	–	–
0055: Sport Grounds	Ablution Facilities Pab Stad (Lotto) (Oorrol)	Community	Infrastructure - Road transport	30 June 2011	5	5	–	–	–
0057: Cemeteries	Waterpyplyn (Kameelboom Begrafploas) (Oorrol)	Infrastructure - water	Reticulation	30 June 2011	23	23	–	–	–
0059: Elec. Administration	Elektrifisering 56 Huise in Kalksloot (INEP)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	30	30	–	–	–
0059: Elec. Administration	Hoëmasbeligting (Verskeie Woongebiede) (MIG)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	102	102	–	–	–
0059: Elec. Administration	Nuwe Vooruitbetaalmeters	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	30	30	–	–	–
0059: Elec. Administration	Opgradeer Hooftbevoernetwerk	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	1 181	1 181	–	–	–
0059: Elec. Administration	Skuif Vooruitbetaalmeters na Nuwe Huise	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	398	398	–	–	–
0059: Elec. Administration	11 Kv Verbinding (Alpha / Charlie Sub) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	40	40	–	–	–
0059: Elec. Administration	Netwerke (Nuwe Ontwikkelings) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	22	22	–	–	–
0059: Elec. Administration	Netwerkopgradering (Industriële Gebied) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	17	17	–	–	–
0059: Elec. Administration	Netwerkopgradering (Landelike Gebied) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	35	35	–	–	–
0059: Elec. Administration	Netwerkopgradering (Sentrale Sake Gebied) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	184	184	–	–	–
0059: Elec. Administration	Opgradeer Miniatuur Substasies (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	40	40	–	–	–
0059: Elec. Administration	Opgradeer Substasie E2 (Louisvaleweg) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	159	159	–	–	–
0059: Elec. Administration	Opgradeer Kraglyn (Klippunt / Sesbrugge) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	10	10	–	–	–
0059: Elec. Administration	Elektrifisering 61 Huise (Raad Deel) (Oorrol)	Infrastructure - electricity	Transmission & Reticulation	30 June 2011	172	172	–	–	–

Table 63 MBRR SA37 - Projects delayed from previous financial year (continued)

Municipal Vote / Capital project / R thousand	Project Name	Asset Class	Asset Sub-Class	Previous target year to complete Year	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
					Original Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
0066: Water Production	Opgradeer Ntsikelelo Watersuiweringswerke	Infrastructure - water	Reticulation	30 June 2011	60	60	-	-	-
0066: Water Production	Opgradeer Leseding Watersuiweringswerke	Infrastructure - water	Reticulation	30 June 2011	60	60	-	-	-
0066: Water Production	Opgradeer A H Sept Watersuiweringswerke (MIG)	Infrastructure - water	Reticulation	30 June 2011	1 035	1 035	-	-	-
0066: Water Production	Rivierplot met Pompe (Raaswater) (Oorrol)	Infrastructure - water	Reticulation	30 June 2011	84	84	-	-	-
0067: Water Distribution	Waternetwerke (Paballelo en Rosedale Plakkers)	Infrastructure - water	Reticulation	30 June 2011	892	892	-	-	-
0067: Water Distribution	Waternetwerke (Paballelo en Rosedale Plakkers)	Reticulation	Water Production	30 June 2011	1 000	1 000	-	-	-
					47 535	47 535	-	-	-

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed four of the five interns undergoing training in various divisions of the Financial Services Department. The four will complete their two year contract on 30 June 2013. Since the introduction of the Internship programme the municipality has successfully employed and trained four other interns through this programme and all of them were appointed in the municipality.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/2013 MTREF in May 2012 directly aligned and informed by the 2012/2013 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality's internal centre and training is on-going.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year+1 2013/14	Budget Year+2 2014/15
REVENUE ITEMS:									
<u>Property rates</u>									
Total Property Rates	32 242	35 997	39 472	42 515	43 970	43 970	50 823	54 381	58 188
less Revenue Foregone	57	1 027	1 368	1 656	2 037	2 037	2 169	2 299	2 437
Net Property Rates	32 185	34 970	38 104	40 858	41 934	41 934	48 654	52 081	55 750
<u>Service charges - electricity revenue</u>									
Total Service charges - electricity revenue	84 342	108 081	141 879	173 675	174 834	174 834	194 082	215 425	239 115
less Revenue Foregone	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue	84 342	108 081	141 879	173 675	174 834	174 834	194 082	215 425	239 115
<u>Service charges - water revenue</u>									
Total Service charges - water revenue	30 526	34 312	35 927	40 390	40 571	40 571	43 412	46 454	49 708
less Revenue Foregone	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue	30 526	34 312	35 927	40 390	40 571	40 571	43 412	46 454	49 708
<u>Service charges - sanitation revenue</u>									
Total Service charges - sanitation revenue	16 990	19 044	20 356	21 534	23 215	23 215	24 842	26 583	28 446
less Revenue Foregone	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue	16 990	19 044	20 356	21 534	23 215	23 215	24 842	26 583	28 446
<u>Service charges - refuse revenue</u>									
Total refuse removal revenue	11 127	12 552	14 390	15 739	17 037	17 037	22 659	24 245	25 942
Total landfill revenue	-	-	-	-	-	-	-	-	-
less Revenue Foregone	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue	11 127	12 552	14 390	15 739	17 037	17 037	22 659	24 245	25 942
<u>Other Revenue by source</u>									
Graves	33	31	51	32	44	44	47	52	57
Insurance Claims	46	54	52	60	56	56	64	70	77
Lost Water Tokens	32	36	40	43	45	45	46	50	55
Motor Hiring	121	131	158	156	154	154	185	203	223
Other Revenue	221	382	279	35	253	253	203	223	245
Parking Meter Charges	10	13	11	15	14	14	17	18	20
Photo Copies	30	27	27	28	28	28	31	34	37
Plan Fees	356	383	306	199	71	71	71	77	85
Posters (Lamp Poles)	-	171	124	182	98	98	104	115	126
Recoverable Cost (Income)	43	44	47	43	23	23	26	28	31
Recovery Commission	259	296	511	320	380	380	400	440	484
Registration Fees / Plan Drawers	82	59	47	65	78	78	78	85	94
Search Fees	117	145	161	130	97	97	103	113	124
Side Line Recoupment	236	262	302	286	291	291	303	333	367
Soil and Gravel	26	17	33	35	5	5	10	11	12
Staff Residence	38	47	49	42	43	43	44	48	53
Stores	147	140	154	160	169	169	169	186	205
Street Name Boards Electricity	28	25	33	29	40	40	44	48	53
Street Name Plate Compulsor	32	39	62	57	30	30	32	35	39
Sub-Economic Rental	47	138	73	70	66	66	74	82	90
Sundry Income	14	18	28	25	40	40	40	43	48
Swimming Pool Tickets	24	26	58	28	90	90	90	99	109
Vehicle Testing / Road Worthiness	52	50	40	42	42	42	45	49	54
Property Rates	67	88	153	41	32	32	31	34	37
Less: Revenue Foregone Rates	29	67	109	83	83	83	91	100	110
Total Property Rates	230	291	357	386	383	383	406	446	491
Total 'Other' Revenue	2 321	2 980	3 263	2 592	2 654	2 654	2 751	3 025	3 327

Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	56 515	68 997	89 797	99 362	105 688	105 688	117 803	121 209	129 541
Contributions to UIF	2 510	715	1 779	1 933	1 118	1 118	965	1 036	1 107
Contributions to Pension	8 957	10 403	14 571	16 984	16 447	16 447	18 727	20 113	21 481
Medical Aid Contributions	5 854	6 783	6 772	7 754	8 000	8 000	8 704	9 574	10 531
Contributions to WCA	–	–	–	–	1 295	1 295	1 072	1 151	1 229
Group Life Insurance	503	618	859	984	998	998	1 138	1 223	1 306
Travel, Accommodation and Other Allowances	2 713	3 753	4 556	5 276	5 010	5 010	6 206	6 572	6 920
Housing benefits and allowances	630	449	356	313	336	336	368	387	406
Bargaining Council Contribution	2	30	38	135	38	38	44	47	50
Bonus	3 989	4 610	6 280	7 694	7 381	7 381	8 726	9 372	10 009
Overtime	5 286	6 726	9 485	4 997	6 316	6 316	3 804	4 085	4 363
Performance Bonus	767	301	418	460	460	460	694	867	926
Training Levies	691	823	1 090	1 295	1 287	1 287	965	1 036	1 107
Cellphone Allowance	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	7 854	3 210	3 826	802	809	809	857	1 484	1 610
<i>sub-total</i>	96 273	107 418	139 826	147 989	155 182	155 182	170 073	178 157	190 587
Less: Employees costs capitalised to PPE	–	–	–	–	–	–	–	–	–
Total Employee related costs	96 273	107 418	139 826	147 989	155 182	155 182	170 073	178 157	190 587
Contributions recognised - capital									
Total Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	13 550	110 941	141 340	9 996	103 250	103 250	152 422	170 713	184 370
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	–	–	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE	–	–	–	(11 561)	98 369	98 369	137 994	154 554	166 918
Total Depreciation & asset impairment	13 550	110 941	141 340	21 557	4 881	4 881	14 428	16 159	17 452
Bulk purchases									
Electricity Bulk Purchases	45 121	60 330	77 981	99 500	99 233	99 233	114 630	130 105	147 669
Water Bulk Purchases	2 436	2 125	1 427	1 998	2 143	2 143	2 271	2 408	2 552
Total bulk purchases	47 557	62 456	79 408	101 498	101 376	101 376	116 901	132 512	150 221
Transfers and grants									
Cash transfers and grants	421	590	855	545	621	621	466	641	705
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	421	590	855	545	621	621	466	641	705
Contracted services									
Business Plans	–	–	–	–	–	–	–	–	–
CCTV Equipment	–	–	18	–	107	107	150	165	181
Commission Paid	466	805	692	400	473	473	525	583	647
Greenfields	–	–	–	–	–	–	–	–	–
Legal Costs	863	1 678	1 486	1 250	1 516	1 516	1 481	1 684	1 853
Meter Reading Services	256	280	307	338	369	369	406	447	491
Pavement Master Plan	–	–	–	–	–	–	–	–	(1 150)
Professional Fees	11 629	3 182	5 792	5 820	4 853	4 853	5 195	5 514	5 693
Professional Services	–	–	–	–	0	0	–	–	–
Programming Costs	349	342	580	420	409	409	418	443	466
Refuse Removal Contractors	–	–	–	–	–	–	–	–	–
Removal of Refuse - Ward Projects	–	–	157	180	165	165	412	453	499
Security Service External	–	32	8	208	327	327	179	279	307
Service Contract: DSM Equipment	25	10	–	–	–	–	–	–	–
Service Investigation	–	–	–	–	80	80	–	–	–
Settlement Agreements	–	–	450	–	–	–	–	–	–
Sewerage Network Master Plan	–	–	–	–	–	–	435	(500)	–
Storm Water Master Plan	–	–	–	–	571	571	35	–	–
Traffic Control Contracts	614	91	630	796	734	734	734	807	888
Transport & Survey Costs	–	–	–	–	500	500	–	–	–
Water Distribution Master Plan	–	–	–	–	–	–	515	(500)	–
<i>sub-total</i>	14 203	6 419	10 120	9 412	10 106	10 106	10 485	9 376	9 875

Table 15 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Allocations to organs of state:									
Electricity	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total contracted services	14 203	6 419	10 120	9 412	10 106	10 106	10 485	9 376	9 875
Other Expenditure By Type									
Collection costs	149	152	163	210	212	212	212	225	237
Audit fees	1 162	1 506	2 320	2 135	2 780	2 780	2 940	3 092	3 251
General expenses	4 945	6 187	6 178	7 089	9 302	9 302	6 884	8 218	8 910
2010 World Cup Soccer PVA	-	291	424	-	-	-	-	-	-
Administration Costs	-	-	-	-	-	-	-	-	-
Advertisement Costs	407	747	454	676	499	499	531	409	437
Bank Charges	425	494	546	620	651	651	690	732	772
Black Plastic Bags	916	923	1 206	1 408	1 028	1 028	1 182	1 251	1 318
Chemicals/Fertilizers	1 439	1 952	1 821	1 907	1 952	1 952	2 138	2 267	2 387
Commission Paid	731	686	1 245	823	872	872	967	1 073	1 190
Cultural Festival	-	-	-	-	1 165	1 165	150	165	182
Entertainment Costs	827	325	464	462	401	401	418	460	484
Fuel & Oil	4 101	3 855	5 115	5 158	5 648	5 648	5 947	6 838	7 863
Indigent Assistance	14 508	12 555	16 117	16 370	19 155	19 155	20 499	21 937	23 479
Insurance	1 614	1 723	2 251	2 910	1 492	1 492	1 702	1 948	2 231
Job Creation Activities	-	9	-	280	8	8	40	280	280
Laboratory Analysis	114	139	196	302	301	301	543	575	606
Licence Fees	433	495	541	594	557	557	571	616	650
Membership Fees	536	582	775	760	1 391	1 391	1 185	1 320	1 452
Municipal Consumption	5 699	8 446	11 237	13 201	13 409	13 409	14 780	16 284	17 944
Operating Grant Expenditure	4 671	32 292	34 830	30	2 511	2 511	-	-	-
Printing/Stationary	1 040	1 202	1 285	1 286	1 495	1 495	1 569	1 692	1 786
Repairs and Maintenance	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219
Street Lightening	1 925	2 300	2 211	3 682	1 883	1 883	2 090	2 320	2 575
Subsistence & Travel Costs	1 753	2 245	2 699	2 061	2 805	2 805	2 153	2 377	2 503
Telephone/Postage	2 196	2 623	2 976	2 889	2 951	2 951	2 861	3 030	3 190
Training	2 343	1 812	1 601	1 775	1 701	1 701	2 196	2 090	2 158
Contribution Long Service Awards	-	-	2 843	-	-	-	-	-	-
Contribution Post Employment Benefit	-	2 127	20 739	600	14 864	14 864	1 900	2 090	2 299
Provision - Landfill Sites	-	26	10	30	4	4	4	5	5
Total 'Other' Expenditure	59 987	94 129	130 707	78 364	99 958	99 958	85 761	94 219	102 407
Repairs and Maintenance by Expenditure Item									
Employee related costs	-	-	-	-	-	-	-	-	-
Other materials	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219
Contracted Services	-	-	-	-	-	-	-	-	-
Other Expenditure	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	8 053	8 436	10 462	11 106	10 920	10 920	11 610	12 927	14 219
Repairs and Maintenance by Expenditure Item									
Employee related costs	31 147	33 960	41 746	43 181	45 790	45 790	47 838	51 415	54 969
Transport Costs / Machine / Vehicle Hire	6 459	7 502	5 750	7 204	9 171	9 171	10 053	10 555	11 083
Contracted Services	-	-	-	-	975	975	2 370	1 037	1 618
Other Expenditure	11 865	11 890	14 456	14 761	15 560	15 560	16 463	18 448	20 520
Total Repairs and Maintenance Expenditure	49 471	53 352	61 951	65 146	71 495	71 495	76 724	81 456	88 190

**Table 65 MBRR Table SA2 – Matrix financial performance budget
(Revenue source / expenditure type and department)**

Description / R thousand	Vote 1 - MUNICIPAL	Vote 2 - CORPORATE	Vote 3 - FINANCIAL	Vote 4 - DEVELOPMENT	Vote 5 - TECHNICAL	Total
Revenue By Source						
Property rates	48 654	-	-	-	-	48 654
Property rates - penalties & collection charges	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	194 082	194 082
Service charges - water revenue	-	-	-	-	43 412	43 412
Service charges - sanitation revenue	-	-	-	2 496	22 346	24 842
Service charges - refuse revenue	-	-	-	22 659	-	22 659
Service charges - other	-	-	-	-	-	-
Rental of facilities and equipment	5 217	481	-	493	0	6 192
Interest earned - external investments	-	-	1 512	-	-	1 512
Interest earned - outstanding debtors	-	-	2 902	-	-	2 902
Dividends received	-	-	-	-	-	-
Fines	-	-	-	1 611	-	1 611
Licences and permits	-	-	1	1 669	-	1 669
Agency services	-	-	-	3 415	-	3 415
Other revenue	5	97	793	914	942	2 751
Transfers recognised - operational	-	813	59 425	2 138	4 175	66 551
Gains on disposal of PPE	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	53 876	1 392	64 632	35 395	264 958	420 253
Expenditure By Type						
Employee related costs	28 209	16 580	16 242	66 812	42 230	170 073
Remuneration of councillors	7 303	-	-	-	-	7 303
Debt impairment	-	-	540	-	-	540
Depreciation & asset impairment	-	608	-	-	13 820	14 428
Finance charges	183	-	-	-	12 558	12 740
Bulk purchases	-	-	-	-	116 901	116 901
Other materials	-	-	-	-	-	-
Contracted services	1 500	1 787	2 604	1 674	2 920	10 485
Transfers and grants	466	-	-	-	-	466
Other expenditure	4 023	(1 814)	17 657	24 691	41 204	85 761
Loss on disposal of PPE	-	-	-	-	-	-
Total Expenditure	41 684	17 160	37 043	93 177	229 633	418 697
Surplus/(Deficit)	12 193	(15 769)	27 590	(57 782)	35 325	1 556
Transfers recognised - capital	-	-	34 560	-	-	34 560
Contributions recognised - capital	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	12 193	(15 769)	62 149	(57 782)	35 325	36 116

Table 66 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description / R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
ASSETS									
<u>Call investment deposits</u>									
Call deposits < 90 days	26 164	20 536	6 294	12 242	12 360	12 360	17 738	14 833	18 283
Other current investments > 90 days	–	5 705	5 763	4 000	4 000	4 000	5 000	6 000	6 000
Total Call investment deposits	26 164	26 241	12 057	16 242	16 360	16 360	22 738	20 833	24 283
<u>Consumer debtors</u>									
Consumer debtors	34 222	35 944	39 855	35 000	33 000	33 000	36 600	39 200	41 000
Less: Provision for debt impairment	(20 117)	(18 261)	(14 393)	(20 637)	(14 393)	(14 393)	(14 433)	(14 533)	(14 683)
Total Consumer debtors	14 104	17 683	25 462	14 363	18 607	18 607	22 167	24 667	26 317
<u>Debt impairment provision</u>									
Balance at the beginning of the year	22 652	21 318	20 637	20 637	14 393	14 393	14 393	14 433	14 533
Contributions to the provision	259	2 949	784	500	500	500	540	600	650
Bad debts written off	(1 593)	(3 630)	(7 028)	(500)	(500)	(500)	(500)	(500)	(500)
Balance at end of year	21 318	20 637	14 393	20 637	14 393	14 393	14 433	14 533	14 683
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	444 611	3 066 147	3 096 213	3 291 025	3 201 990	3 201 990	3 283 018	3 332 038	3 390 292
Less: Accumulated depreciation	283 559	864 401	1 004 542	908 624	1 009 423	1 009 423	1 023 851	1 040 010	1 057 462
Total Property, plant and equipment (PPE)	161 052	2 201 746	2 091 671	2 382 401	2 192 567	2 192 567	2 259 167	2 292 028	2 332 830
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Current portion of long-term liabilities	2 566	3 653	6 555	17 000	17 000	17 000	18 000	19 000	20 000
Total Current liabilities - Borrowing	2 566	3 653	6 555	17 000	17 000	17 000	18 000	19 000	20 000
<u>Trade and other payables</u>									
Trade and other creditors	14 331	20 384	21 190	18 000	15 980	15 980	21 525	15 856	15 793
Unspent conditional transfers	8 538	11 064	18 887	0	30 840	30 840	23 407	27 191	27 191
VAT	2 617	2 956	3 594	4 500	4 500	4 500	5 500	4 500	4 500
Total Trade and other payables	25 486	34 404	43 671	22 500	51 320	51 320	50 432	47 547	47 485
<u>Non current liabilities - Borrowing</u>									
Borrowing	57 826	58 730	70 207	144 624	120 175	120 175	153 643	165 616	178 185
Total Non current liabilities - Borrowing	57 826	58 730	70 207	144 624	120 175	120 175	153 643	165 616	178 185
<u>Provisions - non-current</u>									
Non-Current Trust Accounts	2 574	2 484	3 012	5 000	5 000	5 000	4 700	4 900	5 100
List other major provision items									
Post Employment Medical Aid Benefits	–	18 233	37 197	19 433	33 698	33 698	35 598	37 688	39 987
Long Service Awards	–	3 025	5 667	3 025	3 025	3 025	3 025	3 025	3 025
Landfill Sites Rehabilitation	–	1 311	1 321	1 371	1 345	1 345	1 350	1 354	1 359
Total Provisions - non-current	2 574	25 053	47 197	28 829	43 068	43 068	44 672	46 967	49 471
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	156 747	(54 274)	2 304 617	2 307 960	2 146 536	2 146 536	2 172 987	2 209 102	2 231 955
GRAP adjustments	(204 978)	2 448 905	–	–	–	–	–	–	–
Restated balance	(48 231)	2 394 631	2 304 617	2 307 960	2 146 536	2 146 536	2 172 987	2 209 102	2 231 955
Surplus/(Deficit)	842	(89 943)	(158 151)	65 018	26 451	26 451	36 116	22 853	29 231
Appropriations to Reserves	(16 941)	–	–	–	–	–	–	–	–
Depreciation offsets	10 057	–	–	–	–	–	–	–	–
Other adjustments	–	(71)	70	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	(54 274)	2 304 617	2 146 536	2 372 978	2 172 987	2 172 987	2 209 102	2 231 955	2 261 186
<u>Reserves</u>									
Capital replacement	12 000	–	–	–	–	–	–	–	–
Capitalisation	56 419	–	–	–	–	–	–	–	–
Government grant	38 431	–	–	–	–	–	–	–	–
Donations and public contributions	93	–	–	–	–	–	–	–	–
Total Reserves	106 942	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	52 668	2 304 617	2 146 536	2 372 978	2 172 987	2 172 987	2 209 102	2 231 955	2 261 186

Table 67 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population				100	100	100	100	100	100	100	100
Females aged 5 - 14				10	10	10	10	10	10	10	10
Males aged 5 - 14				10	10	10	10	10	10	10	10
Females aged 15 - 34				17	17	17	17	17	17	17	17
Males aged 15 - 34				19	19	19	19	19	19	19	19
Unemployment				10	10	10	10	10	10	10	10
Monthly household income (no. of households)											
No income											
R1 - R1 600											
R1 601 - R3 200											
R3 201 - R6 400											
R6 401 - R12 800											
R12 801 - R25 600											
R25 601 - R51 200											
R52 201 - R102 400											
R102 401 - R204 800											
R204 801 - R409 600											
R409 601 - R819 200											
> R819 200											
Poverty profiles (no. of households)											
< R2 060 per household per month											
Insert description											
Household/demographics (000)											
Number of people in municipal area											
Number of poor people in municipal area											
Number of households in municipal area				18 184	18	18	18	18	18	18	18
Number of poor households in municipal area											
Definition of poor household (R per month)											
Housing statistics											
Formal											
Informal											
Total number of households											
Dwellings provided by municipality		-	-	-	-	-	-	-	-	-	-
Dwellings provided by province/s											
Dwellings provided by private sector											
Total new housing dwellings		-	-	-	-	-	-	-	-	-	-
Economic											
Inflation/inflation outlook (CPIX)											
Interest rate - borrowing											
Interest rate - investment											
Remuneration increases											
Consumption growth (electricity)											
Consumption growth (water)											
Collection rates											
Property tax/service charges											
Rental of facilities & equipment											
Interest - external investments											
Interest - debtors											
Revenue from agency services											

Table 68 MBRR SA32 – List of external mechanisms

External Mechanism / Name of Organisation	Yrs/ Mths	Period of Agreement	Service provided	Expiry date of service delivery agreement or contract	Monetary Value of Agreement
		Number			R'000
BIQ	Yrs	Ongoing	Information System - Financial System	Ongoing	141
IMIS	Yrs	Ongoing	Information System - Financial System	Ongoing	266
Alltech Netstar Fleet Solutions	Mths	Ongoing	Satellite Tracking System for Vehicles	Ongoing - 30 Days Notice Period	320
Team Mate	Yrs	Ongoing	Information System - Financial System	Ongoing	12
Nashua	Yrs	3	Rental of Photocopy Machines	02/02/2014	37

2.15 Municipal manager's quality certificate

I _____, Municipal Manager of //Khara Hais Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

WILLEM JB ENGELBRECHT

Municipal Manager of //Khara Hais Municipality (NC083)

Signature: _____ Date: _____